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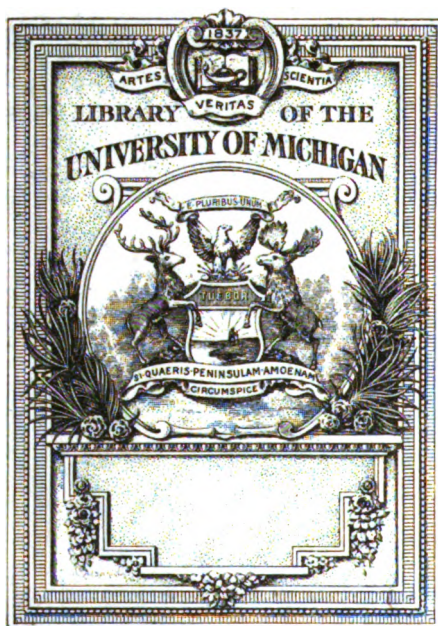
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THE
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AND

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THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

JANUARY, 1877.

THE PROGRESS OF BANKING IN GREAT BRITAIN IN 1876.

It is desirable from time to time to review the progress and extension of banking in this country, and no fitter opportunity can be found for that purpose than the commencement of a new year. The year 1876 has not been marked by any great event as far as the business of banking generally is concerned. Though trade generally has been depressed, and in most branches a very wearisome period of stagnation has prevailed, yet no great failure or time of general commercial difficulty has occurred. The political anxieties of the year have rather been reflected in the business world in the form of diminished profits, than of great or overwhelming losses. Such a period is not one in which new enterprise comes to the front. It is hardly to be expected that during such a time many new banks should have been founded, or new undertakings commenced. We have only the formation of one new banking company to chronicle, the "Hove Banking Company, Limited," the form of association which is preferred now generally by the proprietary of new banks. The proof of diminished commercial activity is clearly shown in many different ways, in the diminutions of the exports and imports of this country, in the smaller sums passed through the Clearing House, and in many other forms. One very good guide to the knowledge of the state of enterprise in the country is to be found in the number of measures for carrying out new undertakings, for which the sanction of Parliament is desired. The number of Bills brought before Parliament, to sanction new railway and other companies was not large, and the amount of capital proposed to be invested by them in the Session of 1876

2 *The Progress of Banking in Great Britain in 1876.*

was smaller than in any of the four years immediately preceding. A return was supplied last Session to the House of Commons, which gives information on this point for several years past, and on examining it we shall see how great a fluctuation there is in matters of this nature.

RAILWAY AND OTHER BILLS BROUGHT BEFORE PARLIAMENT DURING THE SESSIONS 1866—1876.

RETURN TO AN ORDER OF THE HONOURABLE THE HOUSE OF COMMONS FOR Return "of Capital in Shares and by Loans respectively proposed to be raised by Railway and other Bills brought before Parliament in the present Session, and the Aggregate Amount of such Capital and Loans; together with the Gross Aggregate Returns for the previous Ten Years."

		No. of Bills.	Proposed Capital.		
			By Shares.	By Loans.	TOTAL.
			£	£	£
Amount of Return for 1866	.. ..	634	125,638,785	49,851,861	175,490,646
Ditto	1867	321	24,947,447	17,691,328	42,638,775
Ditto	1868	228	15,269,990	9,937,366	25,207,356
Ditto	1869	212	17,756,335	11,465,371	29,221,706
Ditto	1870	244	14,202,271	9,474,228	23,676,499
Ditto	1871	280	18,827,365	10,891,825	29,719,190
Ditto	1872	304	57,803,590	28,641,241	86,444,831
Ditto	1873	334	60,112,250	26,781,693	86,893,943
Ditto	1874	281	43,763,000	19,602,240	63,365,240
Ditto	1875	266	29,746,194	20,198,113	49,944,307
Ditto	1876	270	33,062,675	16,063,608	49,126,283

Board of Trade, Whitehall Gardens,
18 July, 1876.

This statement shows that there was little activity in matters of this description during last year. The return for the present year is not yet published, but it is probable that it will show a diminution on the figures for 1876. It is satisfactory to see that banking enterprise has not slumbered during this period. We subjoin a list as far as it is in our power to construct one, of the new bank offices opened in the United Kingdom since the last statement was published, of which the following is a summary :—

Taking England and Wales first, we find :—

10 New bank offices opened in London and the Suburbs.

1 New Provincial banking company.

54 New branch offices opened by Provincial banks in England and Wales.

20 New branch offices in Scotland.

18 " " " in Ireland.

103 New bank offices in all.

Every care has been taken to draw up this list with accuracy, but it is possible that we may not have received information of all the new bank offices opened throughout the country; and it is also possible, that some of the branch offices mentioned as being new may have carried on business for some time, though the fact had not been notified. But we believe the list to be substantially correct, and it certainly shows a very considerable growth in banking business during the year. The smallest proportional increase apparently has been in the metropolis. The increase in banking accommodation in Manchester and Liverpool, taking the population into account, appears to be greater than in London and the suburbs. Small places, as well as large towns, however, have had fresh banking facilities afforded them, and though we believe there are still new fields for banking enterprise in the United Kingdom, it is satisfactory to record so considerable an increase in a business which, when conducted with caution and prudence, tends so greatly to the advancement of the prosperity of the country. We subjoin a list of the names of the places in which new offices have been opened, as well as of the banks which have extended their business in this manner. In proportion to population the increase in new offices opened has been greatest in Scotland, next in Ireland, and smallest in England and Wales. Fifteen of the new bank offices in England, six in Scotland, and six also in Ireland, have been opened in localities where, previously, no banking facilities had existed. This is in itself a healthy sign, as it is obvious that under such circumstances no unhealthy competition or undue rivalry between opposing banks, causes which have sometimes led to disasters, can have suggested the opening of these new offices. On a future occasion we intend to lay before our readers a corresponding statement of the extension of banking capital during the past year.

LIST OF NEW BANKS AND BRANCHES OPENED IN 1876.
ENGLAND AND WALES.

METROPOLITAN.

<i>Name of Bank.</i>	<i>Offices Opened.</i>
Central Bank of London, Limited	... 95, Newgate Street, E.C.
The City Bank	... Aldgate Buildings, Aldgate.
West London Commercial Bank, Limited	Battersea Park, S.W.
Hampshire Banking Company	... 39, Threadneedle Street.
Ditto (West End Office)	... 29, Oxford Street.

SUBURBAN.

London and County Banking Company	... Surbiton.
London and Provincial Bank, Limited	... Carshalton.
London and South Western Bank, Limited	Shepherd's Bush.
	Streatham.
Hampshire Banking Company	... Woolwich.

PROVINCIAL BANKS.

<i>Name of Bank.</i>	<i>Offices Opened.</i>
New Bank	
Hove Banking Company, Limited	... Hove, Brighton
New Offices	
Backhouse and Co.	... Crook,
" "	... Middleton, } Sub-Agencies.
" "	... Towlaw,
Hodge and Co.	... Plymouth.
Gurney and Co. (Norwich)	... Mildenhall.
Batten, Carne, and Co.	... St. Ives (Cornwall).
Harris and Co. (Plymouth)	... Saltash.
Gurney and Co. (Wisbech)	... Sutton Bridge.
Bank of Bolton	... West Houghton (Sub-Branch).
Carlisle City and District Bank	... Silloth.
Carlisle and Cumberland Banking Com- pany	... Longtown.
The Consolidated Bank, Limited...	... Salford.
Cumberland Union Banking Company, Limited	... Silloth.
" " " " " "	... Gosforth (Sub-Branch).
Gloucestershire Banking Company	... Brynmawr } Agencies.
" " " " " "	... Usk.
Lancashire and Yorkshire Banking Com- pany, Limited	... Blackburn.
" " " " " "	... Nelson (Sub-Branch).
Lancaster Banking Company	... Bentham } (Sub-Branches).
" " " " " "	... Grange
Lincoln and Lindsey Banking Company	... Alford.
Lloyd's Banking Company, Limited	... Burton-on-Trent.
" " " " " "	... Great Bridge.
" " " " " "	... Rugeley.
" " " " " "	... Smethwick.
" " " " " "	... Shrewsbury.
" " " " " "	... Hednesford (Sub-Branch).
London and Provincial Bank, Limited	... Harwich.
London and County Banking Company	... Erith.
London and Yorkshire Bank, Limited	... Leeds.
Manchester and County Bank, Limited	... Padiham (Sub-Branch).
Midland Banking Company, Limited	... Ashbourne.
" " " " " "	... Knighton.
" " " " " "	... Presteign.
" " " " " "	... Whitechurch.
Moore and Robinson's Nottinghamshire Banking Company, Limited	... Wirksworth.
National Provincial Bank of England	... Pembroke.
National Bank of Liverpool, Limited	... Great Charlotte Street (Liver- pool).
" " " " " "	... Waterloo.
Northamptonshire Banking Company	... Kettering.
North Eastern Banking Company, Limited	... North Sunderland (Sub-Branch)
North and South Wales Bank	... Everton (Liverpool).
" " " " " "	... Kirkdale
" " " " " "	... North Docks "

6 *The Present State of Economic Thought in England.*

<i>Name of Bank.</i>				<i>Offices Opened.</i>	
Hibernian Bank	...	...	...	...	Armagh.
"	"	...	...	...	Callan.
"	"	...	...	...	Enniskillen.
"	"	...	...	...	Granard.
"	"	...	...	...	Stewartstown
"	"	...	...	...	Kildare
"	"	...	...	...	Collon
"	"	...	...	...	Moy
Munster Bank, Limited	...	...	...	...	Dublin (Baggot Street).
National Bank	...	...	...	...	Croghan
				...	Drumcollo-gher
Northern Banking Company	...	...	...	...	Newtownstewart.
Ulster Banking Company	...	...	...	...	Arva.
"	"	...	...	...	Dublin (Lower Baggot Street).
"	"	...	...	...	Waterside, Londonderry.

18 New branch offices opened in Ireland.

TOTAL SUMMARY.

65 New bank offices opened in England and Wales.

20 " " " Scotland.

18 " " " Ireland.

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103 New bank offices opened in 1876.

THE PRESENT STATE OF ECONOMIC THOUGHT IN ENGLAND.

- (1.) *Manual of Political Economy.* By HENRY FAWCETT, M.A., Fellow of Trinity Hall, Cambridge. London: Macmillan and, Co. Fifth Edition. 1876.
- (2.) *Political Economy for Beginners.* BY MILLICENT GARRETT FAWCETT. London: Macmillan and Co. 1870.
- (3.) *A Manual of Political Economy for Schools and Colleges.* By JAMES E. THOROLD ROGERS. Oxford: At the Clarendon Press. 1868.
- (4.) *A Survey of Political Economy.* By JOHN MACDONELL, M.A., Edinburgh: Edmonston and Douglas. 1871.

THERE are occasions when it is desirable to take a survey of those works on economic science which have been recently published, but are no longer so new as to have a place among our notices of books fresh from the publisher. And we propose, at the present time, to take a retrospective survey of this description.

The ebb and flow of popular thought at various epochs suggest some curious considerations to the observer. At times one subject obtains a great hold on public attention. Then it recedes for a while from notice, and remains, as it were, dormant. At

such times of indifference the most brilliant writer, the most patient thinker, alike labour in vain, as far as public recognition of their service is concerned. In vain in this respect, yet perhaps not in vain in the most important points. The thoughtful man gathers round him a band of laborious students: slowly, gradually, successfully in the end the toil of years operates. At last the result is seen; the science emerges, crowned with fresh honours, decorated with new distinctions. The patient labour of years has not been thrown away, the leaven has been at work, though the operation may not have been discerned on the surface; a fresh ascent has been gained, a fresh starting point won for onward, upward progress. Men marvel at what seems to them a sudden outburst of thought, unaware of the silent hidden vigour which, maturing unseen, has prepared the way for the outward manifestation. This reflection has been suggested by the appearance of some recent writings on Political Economy, and as the principal works which it is proposed to bring before the readers are two, which in their various ways survey the field of the history as well as the progress of the science, a short *résumé* of the labours of recent economic writers seems no unfitting exordium.

Thirty years ago—and how short a time thirty years is in the history of any branch of scientific inquiry—it seemed that Political Economy was about to become really a popular subject of study among us. There are still stored in dusky book-cases, generally, it is to be feared, on the highest shelves of the library, the little modest-looking drab-covered series of “Illustrations of Political Economy,” by the late Miss Martineau, which were, thirty years since, the delight of many a boy, and even of many a girl. Women’s rights at that time were still unpreached on, but women’s duties were even at that time not unregarded: performed, too, though little talked of, by some whose saintly memories yet linger in the remembrance of those still surviving, like some sweet perfume rising from an almost forgotten past. Miss H. Martineau was one of the earliest pioneers of modern thought on many points then but little noticed. The brilliant writer, whose terse but elegant power has charmed many since, either with pleasant stories or with forcible biographies, was then in the full freshness of young, though not immature vigour. The series of “Illustrations of Political Economy” had, for some time, a well-deserved success. Such a success could, it is to be feared, not be attained again. A generation whose appetite has been cloyed by a serial literature adorned by such names as those of Dickens and Thackeray, would hardly turn now to didactic writing, even if from the hand of a Martineau. After a while

the series ceased : for a time no voice was heard. The great names of a powerful generation passed away. It was a generation which included Porter and Thomas Tooke, and three men besides whose ability would have been recognised at any time. Chalmers, a man of most unusually varied powers : Malthus, the praise of whose sagacity was obscured by the cloud of odium which was unwittingly stirred up against one who was one of the gentlest, and was erroneously considered one of the most stern, of men : Ricardo, the greatest name of all, perhaps the most powerful thinker on this subject that this country has ever known ; a man who, had he enjoyed the gift of expression as fully as he possessed the power of reasoning, would have carried the study of his favourite science far beyond the limits which it reached in his lifetime. Yet, as the remembrance of that life, too soon cut short, yet filled with successful deeds, passes before the mind, it is hardly right even to express regret at any possible deficiency in the writings of this truly great man. As one thinks of the early difficulties, the laborious pursuits in which Ricardo was engaged, the years engaged in business, the years employed in Parliament, one can only feel grateful to the teacher who found leisure, among so many and such conflicting occupations, to write a work so solid and so powerful.

After the death of these three men—the greatest lights of the early part of the century on this subject—a pause, as it were, ensues till the writings of Mr. John Stuart Mill appear, and form a landmark in our history. In the interval a work by his father, Mr. James Mill, was published—a volume too little read, but which no one can remember without admiration at its clear, terse vigour. So great has been the fame of Mr. J. S. Mill, that it has absorbed, as it were, most of the glories of his less known predecessors, whose works are briefly recorded above. That Mr. J. S. Mill has given a vast impetus to the study of the science is beyond any question. Possessed of a firm, clear, logical mind, with a quick and powerful grasp of the principal points of any case which came before his notice, Mr. Mill succeeded in rendering the subjects on which he has written accessible to multitudes who would, but for him, have been ignorant of the first principles of Political Economy. Though much indebted to earlier writers, and in particular to his father, James Mill—in whose small yet carefully written volume mentioned above, much of the outline of the mode of thought followed by his better known son may be traced—the brilliancy of his pages, and the force of his pungent criticism, have attracted many who would never have undertaken to read a book of abstract reasoning on so abstruse a subject. It is just because

Mr. J. S. Mill successfully carried out the project which he proposed to himself in commencing his work, of associating the principles of the science with their application, that his work has obtained its great and well-deserved popularity. We must admit to the full that the success and the usefulness of Mr. Mill's book are due to the skill with which he has dissected, and the brilliancy with which he has described, many difficult conditions of the Body Politic. Most true are the words which form part of the preface to the "Principles."

"Except on matters of mere detail, there are perhaps no practical questions, even among those which approach nearest to the character of purely economical questions, which admit of being decided on economical premises alone. And it is because Adam Smith never loses sight of this truth; because, in his applications of Political Economy, he perpetually appeals to other and often far larger considerations than pure Political Economy affords—that he gives that well grounded feeling of command over the principles of the subject for purposes of practice, owing to which the 'Wealth of Nations,' alone among treatises on Political Economy, has not only been popular with general readers, but has impressed itself strongly on the minds of men of the world and of legislators."

To write a work similar in its object and general conception to that of Adam Smith, but adapted to the progress of all things since his time, was Mr. J. S. Mill's aim, and in that he succeeded beyond expectation. And yet in that very endeavour lay the danger of the work. Mr. J. S. Mill desired to be practical, and desired to be popular; he would not attempt "to purchase either of those advantages by the sacrifice of strict scientific reasoning." The carefulness, the completeness of the illustration, are beyond belief; but the vigour of the author's mind sometimes caused his language to approach more that of the partisan than of the judge. We are not disposed here to discuss Mr. Mill's exact place among our great thinkers; there can be no doubt it will be a very high one.

The completeness with which Mr. J. S. Mill occupied his ground left him for a long while without a rival, even as he still is without a peer. There really seemed, for some years, no space left on which a rival or even a congenial mind might found his theories. But as in the course of time the continual flow of a mighty river makes vast differences in the landscape, undermines a projecting point here, fills up a shallow reach yonder with the detritus of worn meadows and crumbling cliffs, so the stream of events, flowing more rapidly perhaps in our days than in any which have preceded, accumulated gradually new resting places and fresh fields for occupation.

At last the recently-formed ground was occupied by a mind of less power than Mr. J. S. Mill's, but which, had it not been for the competition of a writer of so much ability and power, would have stood higher than it has done with the general public. Professor Fawcett's "*Manual of Political Economy*" undertakes a wider inquiry than its title would appear to claim. The fact of the volume having reached a fifth edition, shows that it has a strong and deserved hold on the reading public. Though a text-book appears to have been Professor Fawcett's intention, a treatise has been the result. Nor was the deep interest which the author took in many social questions of the day to be denied the opportunity of fit expression. The chapters in Book II. on Trades Unions and Strikes, on Co-operative Institutions; the chapters in Book IV. on the Income Tax, on the Land Tax and Poor's Rates—give evidence of careful and painstaking inquiry and of strong conviction. With Professor Fawcett's volume may very properly be connected that by Mrs. Fawcett, which, though smaller in size, is scarcely smaller in plan. Intended as a short and elementary work, to help to make Political Economy a more popular study in boys' and girls' schools, this little work is admirably arranged to fill such a position. Though an epitome, it is not meagre; though small, it is far from slight. Founded in great measure on Mr. Fawcett's volume, it possesses the same admirable lucidity of arrangement, and the illustrations, drawn from the events of the day, give it a character of interest remarkably adapted for the young. But this little volume has a further claim on our notice from the quotations made in it from the works of M. F. Bastiat. The "insularity" of the mode of thought prevalent amongst us, is at least as strongly marked in the economic writings in vogue in England, as in any other branch of our literature; and a remarkable point is that this restriction has been at least as stringent of late as in earlier times. Adam Smith refers not unfrequently to the writings of his contemporaries and predecessors in France. Necker, Quesnay, Colbert, are referred to not unfrequently in his pages. Ricardo had a vigorous controversy with M. J. B. Say, the grandfather of M. Léon Say, the present French Minister of Finance. In Mr. J. S. Mill's great work foreign authorities are cited, particularly when Socialism, the Tenure of Land, the Division of Property, and the Co-operative System are discussed; but no foreign theoretic writer appears to have influenced Mr. Mill in any perceptible degree. Mrs. Fawcett, therefore, deserves the greater credit for having worked a vein of economic wealth which hitherto few had the courage to explore. Among these few is the writer of a book rather earlier

in date, and somewhat similar in design to Mrs. Fawcett's work—Professor Rogers. A quotation from F. Bastiat on the title page of his manual of Political Economy,

“ Dans l'isolement nos besoins surpassent nos facultés,
Dans l'état social nos facultés surpassent nos besoins,”

is well illustrated in the volume. Historical illustrations carefully chosen, and well arranged, abound in Professor Rogers' book. A knowledge of the past, such as may well be looked for in the historian of Agriculture and Prices in England, is balanced by a keen interest in the events of the day. It is suited rather to the calibre of more advanced students than Mrs. Fawcett's volume. Like it, a text-book rather than a treatise has been the aim of the writer.

The cursory notice of the works now mentioned has not been written with any attempt of an analysis of their contents, impossible in so short a space, but with the intention of placing before the reader, as mentioned above, a sketch of some of our economic writers, as well as of noticing one point which they all possess in common. Every one of these works approaches the subject in the same manner. From the weighty octavos of Mr. Mill to the pocket volume of Mrs. Fawcett—we place Mrs. Fawcett at the end of the list from no other reason than that her book presents the greatest contrast in size to that of Mr. Mill—each one desires to write an exposition of the doctrines of Political Economy in such a manner as shall be intelligible to persons of any ordinary education. All of them appeal, it may be said in this case, as has been said in another of Mr. J. S. Mill's works, to a kind of natural faculty or instinct in the human mind which enables each person to judge for himself what is right or wrong in such matters. To educate this faculty, to strengthen this instinct, has been their aim; and greatly their fellow-citizens are indebted to them for the manner in which they have accomplished their work. In some minor points there are slight differences of opinion among them, but in all essential doctrines they are well agreed. It cannot be doubted that the use of these works in our schools, colleges, and universities will be of great service. Though, perhaps, there may be few fields for fresh discoveries, the application of sound economic principles to social difficulties has made, and is still making, great progress among us. All these writers, as has just been said, labour in the same manner. They work, it may be said, from practice to precept; the method of inquiry which they have followed is to trace events, and to glean a doctrine from the evidences of actual transactions rather

than to attempt to prove a scientific theory; to accumulate the records of statistical inquiry, and to trace out thence the results of continuous laws by patient labour. Not that all or any of them would deny that a science exists, but that the evidences of it must be found by observation. In two recent works the writers have endeavoured to investigate the subject in a different manner. They propose to scale the hill of knowledge from two opposite sides, as we may say; the one from popular, the other from a scientific standpoint. The scientific investigation will be found in Professor Jevons' volume on the "Theory of Political Economy," to which we hope to refer at a future opportunity. The "Survey of Political Economy," by Mr. James Macdonell, represents the more general idea, written with a view to promote the greater diffusion of knowledge on the subject; the book is, perhaps, the more likely to attain this end as it is devoid of any pretension to be considered a strictly scientific treatise. Mr. Macdonell's desire, as expressed in his preface, is to direct the attention of his readers to the more exhaustive works on the subject, which have now reached the position of standard authorities. Had the book been the work of a French writer he would probably have given it the title of "Causeries," and this form of discussion is a very attractive one to many persons. Mr. Macdonell is quite justified in referring to the absence of any book conceived on the same plan from English literature. Sir Travers Twiss' view of the progress of Political Economy is based on a historical inquiry, while Mr. Macdonell undertakes to describe matters as they are at the present time. In reading the volume through, there is found in it an occasional raciness of expression which will be a great assistance to the general reader. The remark from Daniel Webster, quoted at page 37—of there being for men always "plenty of room higher up," when the inferior professions are overstocked, and that while this circumstance constitutes an impulse to the meanly paid workman to toil on, *for women there is no "higher up,"* too often inactivity or a pittance is "their miserable fare"—is a remark very likely to be remembered. It occurs here in reference to the difference of energy shown in the work done by women and that done by men, which is attributed, and probably in great measure with truth, to the uninviting prospects which the few professions at present open to women offer. Nor is the reader of the chapter on the Influence of Laws upon the Growth of Wealth likely to forget the very ingenious and correct criticism of communistic ideas contained in the following sentence:— "'Property is theft,' said M. Proudhon, in a little book which he sold

for some francs.”—Macdonell, p. 168. If it were possible to explode an elaborate theory in an epigram, it would be done in this manner. There are also some very well-chosen illustrations, of which we will quote one which occurs in one chapter on Machinery as an aid to Production, in which some account is given of the impediments which have frequently been put in the way of those who have desired to economize labour by the use of new and more potent mechanical inventions.

“ All opposition to machinery—meaning thereby all mechanical devices or forces used in place of human labour—may be resolved into attempts to make the production of wealth difficult, to set up artificial obstacles to the attainment of wealth, to make men poorer than they need be. A way of obtaining a certain article with half the former trouble and labour has been discovered; men are enriched as surely as if a handsome present had dropped from heaven; but the makers of the article in the old way stand up in their places and say, ‘We cannot allow so much labour to be saved; we insist that the article shall be made in a more laborious manner than is necessary, and therefore you shall pay more for it than there is any need.’ So acting, they impoverish men as surely as if they had stolen the present. We read in Michelet that the boatmen of the Rhine destroyed the bridge built by Charlemagne at Mayence, doubtless in order that they might continue to have the privilege and profit of ferrying travellers across. Suppose—to carry the illustration nearer home—you live on one side of a stream, and a town which you have often to visit is on the other, that a bridge is built by which you cross in two minutes and for one penny, instead of in ten minutes and for the payment of two pence, and that the boatmen insist that the bridge shall be shut up; this real event and this hypothetical event correspond with the conduct of those who oppose machinery.”—*Macdonell's Survey of Political Economy*, p. 80.

It is not our intention to follow Mr. Macdonell throughout the whole scope of his book; and this is the less necessary from the fact that it undertakes to be a survey and not a treatise, and is therefore best dealt with in detail. There is throughout a hearty appreciation of the labours of others, which we are very glad to observe. Thus, at a time when the late Chancellor of the Exchequer is, perhaps, as little popular as any occupant of that office has been of recent years, Mr. Macdonell has done Mr. Lowe the justice to recall the fact of the obligations which working men owe to him for his strenuous support of the principle of limited liability in partnerships. This form of association, after undergoing much opposition, has taken a firm hold in this country. Many and very serious mistakes were made

in the first application of the principle,—mistakes of such a character that they appeared at the time almost fatal to success. The struggle is now over, and will probably soon be entirely forgotten, and therefore it is the more desirable that there should be some record of the services done to working men by a minister who has not unfrequently, but most unfairly, been supposed to be hostile to their best interests. Without the admission of the law of limited liability to the statute book, many, if not all, of the existing co-operative institutions which have burst into such exuberant life among us in recent years, and to the great advantage of the working classes, could not have been formed. The remarks on the Patent Laws in Mr. Macdonell's volume are carefully and well considered, and the distinction which he draws between copyrights and patents very well put. The two things are opposite to each other in nature. The knowledge and ideas contained in a book are free to all men to make use of and to reproduce; it is mainly this knowledge which it is the object of a patent to monopolize. Some countries have discarded patent laws altogether, and among them is one in which the rights of property are most sedulously guarded, and which had also been among the foremost in ingenuity of invention.

“Switzerland, our growing commercial rival in cotton and ribands, is one of the countries which have put aside patents; and with truth it has been remarked, that though the patent laws of foreign countries are for the most part modelled on ours, they exhibit greater solicitude for the public interest.”—*p.* 405.

Before parting with Mr. Macdonell, it is only justice to him to mention that in the practical application of economic theories to actual life, he shows a vigorous common sense. In the chapter on taxation there occur some very judicious remarks touching the desirability of levying some equivalent to succession duty on corporate property. Adam Smith's rules for the levying of taxes have been so frequently quoted that it is scarcely needful to give their words. The first of them enjoins that “the subjects of every state ought to contribute to the support of Government as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenues they respectively enjoy under the protection of the state.” As each individual owner of inherited property—both real and personal—has to undergo taxation when he is put into possession of his inheritance, it is clear that all corporations escape by their permanence of occupation a charge to which they are in equity as liable as any other owner of property. It is to be hoped that the

plea of sparing charitable institutions, which has always been raised when this subject has been mooted, will not be long allowed to shelter all property held in this manner from the taxation which it alone, of all property enjoying the protection of the laws of the country, contrives to evade.

Mr. Macdonell will do good service if he continues to call public attention to this point, as well as to the great deficiencies in the existing method of dealing with pauperism. "We labour," as he well said, "to relieve paupers with considerable success; but we do little to obviate the necessity of relieving them." It is in discussing subjects like these, rather than in the abstract doctrines of the science, that Mr. Macdonell is most successful, and we hope his book will find, as it deserves, an extensive circulation.

(To be continued.)

BANK CLERKS' PROVIDENT FUNDS.

II.

THE subject which we approached in November last with some diffidence, but with an assured conviction of its utility and importance to the banking profession, is one likely to grow in interest the more it is discussed. Not only have wise and excellent arrangements been in operation for some time in many of the principal banking companies, but it is a fact well worthy of being recorded that, as far as our information extends, wherever such provisions have been adopted they are held in much esteem by the leading officers and employes of the banks. There may not be much uniformity in the arrangements that have come under our observation, but they all aim at, and secure in a large measure, the same good ends; and there is this general remark to be made on the whole subject, viz., that a bank and the people in its employ do not supersede by arrangements within their own professional association the common duty of saving, insurance, and provision for future life which belongs to all prudent persons, to whatever class or profession they may belong. The moral effect, indeed, is quite in the opposite direction. There is a certain amount of providence which is necessary and beneficial to the good and cordial service of a bank. This is what has to be established, but when it has been established, the probability, or rather the certainty, is that all the more the open and ordinary means of economy and providence will rise in the estimation of the employes, and obtain a larger share of their attention and concern. It is in this as in other of the more paramount and self-denying duties of life, that a begin-

ning is the main difficulty. But a beginning once established and secured, the impulse is likely to be pursued with increasing steadiness of purpose.

It may be frankly admitted, since it is no doubt the fact, that in what bank directors and bank shareholders do in a matter of this kind, there may be a good deal of self-interest. It gratifies their employes almost more than an equivalent increase of salary, however acceptable that might be; it cordialises their whole disposition, and it binds them in some measure to a faithful and continued service of their company, which in most cases is not antagonistic to their own interest. We have heard, indeed, such genial expressions of the powerful influence of superannuation and other provident arrangements in securing steadfast and devoted service, that there can be no doubt in our own mind that the examples in this respect will be apt to have a very contagious effect, and that very few banking companies in the kingdom will be long content without adopting and maturing some similar provisions as much as possible. But apart from this, which is the purely professional view of the question, there is the larger consideration of the general human effect on the character of employes flowing from this policy—for a policy we must deem it to be, extending far beyond the circle of the banking profession, and applicable in nearly all the social and industrial relations of life. Does it tend to raise and steady the purpose and disposition of masses of people who have to begin, as nearly all of us have to do, on the lower rungs of the ladder and to mount gradually upward, some higher, some not so high?—does it reconcile them more to what has become their occupation in life, prosaic it may be enough, but still the bread and staff of existence?—does it give them a higher pride in their occupation, and a more complete satisfaction, as if they felt that they were doing their duty and pursuing their interest at the same time, that having secured one good point they were all the more easy and free to establish other good points, and having their hand on a fair amount of comfort and enjoyment, they could look forward to be always better rather than worse? If these points are to be conceded in the affirmative, as in our opinion they must be, then the whole question would seem to be carried.

Now, in the banking companies there has been a development, which illustrates not unaptly how questions of this kind are approached in all spheres of business, how they begin, and how they grow in interest and in form until they attain a more or less complete solution. There is, first, the Guarantee Fund, which is common in one degree or other to nearly all banking companies, and which is practically an insurance against the

sometimes painful results of errors, or the still worse results of frauds in which more than the guilty may be involved, and the like of which has been found a needful provision in most situations where much trust has to be reposed in the accuracy and integrity of employes. This fund, we will suppose, is contributed by the employes themselves out of their salaries; the contribution is seldom large enough to be felt perceptibly, save as a slight discount from a previous realisation, and yet the fund grows and grows; and while doing good service directly and indirectly, is found to be always more and more than sufficient for all demands upon it, till the contribution is at length reduced, and at the smallest cost to every one the object is fully attained and covered. The contribution is an admonition to every one of his individual responsibility, notifying to him quite plainly that he is in a society where the strictest accuracy and integrity are cardinal virtues, and where not only his employers, but his fellow-employes expect every man to do his duty; while the fact that the fund is the common interest of all, develops a general spirit of mutual consideration, an *esprit de corps*, in which all discover themselves to be on their honour as gentlemen, while maintaining their fullest attention and ability as men of business. Then there is the Pension or Superannuation Fund, which has been found almost indispensable in some form or other in all large banking companies, though in some, perhaps, never assuming any exactly organised form, and which is usually contributed out of the profits of the companies. One man's working life may be comparatively short, another's comparatively long. Before there has been more than twenty years' service a bank employe without fault, of strictly exemplary habits, and who has done his duty well and faithfully to his employers throughout, may be disabled, and the disablement may come in circumstances, and may leave circumstances, which make an invincible appeal both to gratitude and humanity. On the other hand, another faithful and most useful man may live and work on and on, long after the other has returned to kindred dust, leaving a widow and children, the latter of whom, under the generous backing they have received, may be supposed to be striking out fairly for themselves in the world—working on, this invincible old man, past three score, or perhaps three score and ten, with no sign of giving up, brisk and cheery, and of as good digestion as ever, with a knowledge of the whole history of the bank and the bank's affairs quite at his finger's ends. He may have seen decades of directors passing away behind him on the wings of the wind, till the earliest of them are scarcely visible to the aged seer in the mist of a distant

period. Since he was fifty-five he may have read again and again with genial sympathy the famous essay in which Charles Lamb describes his feelings on receiving a retiring pension from the India House, and may have looked forward to the time when he too would enter into the same sense of relief and freedom, but has never come to the point where he could retire with all the satisfaction of so hypothetical an event. And so he will continue to pursue the even tenor of his way until his turn comes to quit the busy scene of life. However honourable and evergreen such a career may be, yet it may sometimes, and indeed as a general rule must be, the true interest of a banking company to provide some regular means of retirement to employes at advanced periods of life, not only by way of calling into play the energies of younger and stronger men, but in order that they themselves may breathe some few sweet years of repose, and prepare to die secure from all the din, anxiety, and friction of this world's monetary and commercial affairs. Our previous remarks were confined chiefly to the Provident or Insurance Society and the Savings Deposit Fund of the Bank of England; but we need hardly say that the Bank of England has a system of superannuation and superannuation pensions, which forms a substantial element in the future of every employé of our great national corporation. Similar arrangements are, we believe, in force in most, if not all, of our important private banks.

The London and County Bank, which, without either pretence or suspicion of flattery, may be justly said to have given a good and laudable example in this matter, has developed a system which ingeniously combines under one fund and one arrangement retiring allowances with all the effect, so far as it goes, of life insurance as regards widows and children. The foundation of a Provident Fund was made in this bank as early as 1852. At the end of 1874 the capital of the fund amounted to £57,818, all invested in first-class securities, and yet yielding, we should say, rather more than the average rate of interest. And in 1875, the board of directors, having referred the subject to the investigation and report of a committee of officers, and being authorised by the annual meeting of shareholders, adopted a definite scheme for granting superannuation and other allowances to employes of the bank and their families, which has since been, and, we may safely predict, will long be in operation. In defining the *amount* of allowances supreme regard is given to three conditions—(1) length of service; (2) amount of salary; and (3) age. But the *duration* of a retiring allowance is regulated by length of service only. Thus, for example, a retiring annuity for life appears only to become possible when there has been 20

years' service; if the service has been 26 years and upwards, the annuity is for life. Shorter periods of service carry annuities for a term of years corresponding to the service; but, by additional regulations, the amount of annuity may either be increased by a reduction of the term of duration, or diminished under an extension of that term, thus giving a power of adaptation to peculiar circumstances in individual cases. Indeed, the great care that has been taken to render the system flexible and suitable to the condition of the recipients is very obvious in all the various details. Any officer of the bank attaining 60 years of age may claim retirement, and the provided allowances. At 65 retirement is compulsory, save when there may be special reasons for the officer to continue in the service, and he himself is willing to serve. Under the ages of optional and compulsory retirement, the condition of being incapacitated by ill-health or affliction applies to all the employes, and entitles them, under evidence satisfactory to the board of directors, to the benefits. The only persons excluded are those who voluntarily retire, or are dismissed, or called upon to resign on blameable grounds.

A scheme of this kind could only be wrought out and adjusted by much nice calculation. Age, of course, affects most materially an annuity for life. The amount of salary earned while in harness by a retiring officer could not with any justice be left out of consideration; and length of service was an equally important element in the case. All these conditions have been blended and harmonised on mathematical principles applied uniformly throughout, an explanation of which would occupy too much space here, nor can it be the least necessary, since we have little doubt that any inquiring minds of the banking world will find all information they may require at the fountain head. But an example or two will illustrate the whole. At the ages of optional or compulsory retirement, of course, where the service has been lengthened and the salaries large, the retiring pensions are no mean composition. At 60, for instance, an officer of 30 years' service, and in receipt of £1,000 salary, retires on an annuity of £462. 10s. for life; if £500 be the salary, the retiring life-annuity is £250; if £240 the salary, the life-annuity is £144. Where the service has been shorter, say 15 years, the age 35 years, and the cause of retirement consequently ill-health or affliction, an officer of £900 of salary would receive an annuity of £100. 8s. 1d., and one of £150 of salary, £41. 6s. 10d. for 15 years. And so on. But another important part of the London and County system is the provision made for families, and that presents itself under two aspects. (1) Where the officer has died, and has left a widow

and children, in which case the widow receives one-half what her deceased husband would have been entitled to, under certain limitations as to annuity for life, &c., and an allowance equal to 20 per cent. of her annuity for each child under 15 years of age until it has attained that age. (2) Where the officer has not died, but has retired, and has children under 15 years, in which case there is an allowance equal to 10 per cent. of his annuity (but not to exceed £20) for each child until that age. Children without parents, or after the death of the parent, and parents and other relatives dependent on an officer who has died, are also included in the system, which thus, as we have said, is not only a system of retiring allowances, but has effects practically equivalent to what would be attained *pro rata* under a life policy payable at death.

These arrangements are all secured by the guarantee of the bank, which has engaged to pay any deficiency of the income of the Trust Fund for its purposes out of the profits of the bank, and as a part of its current expenses, though not claimable, out of any other funds or property of the company.

When a great bank like the London and County has been at the pains to work out a provident system of this magnitude, with the full sanction of the shareholders, under the attentive care and supervision of the directors and managers as a part of their necessary duty, and it is executed and kept in working order *ex gratia* with the utmost satisfaction and even enthusiasm by the leading officials, there can be little doubt of what may be accomplished in other cases, nor yet of the growing attention that is likely to be paid to the subject in banking circles, and the growing desire likely to arise for an extension and enjoyment of similar arrangements, modified and adapted as they freely may be to particular circumstances, and even improved, as in some cases or in some respects they may also probably be. A bank with such a system in full and pleasant operation must, of necessity, have a superiority as regards employés over a bank, all other things being the same, which has no provisions of this kind. But the main consideration, and that which will have most weight, is the tendency of such provisions to improve the condition, to sustain the character, and impart the sense of a more comfortable and satisfying life to the working part of the profession; as well as to throw gleams of warm and sunny light over pictures often painful enough to those who never know and may never know themselves what want is—the gloom of an unprovided-for old age, or the distress of untimely-bereaved families. Nor is it without importance to consider what wonderfully good effects may arise from the example already given by

many banking companies, and still more if the example should be widely extended in many other industrial and commercial relations, of all of which the banks may be regarded as the centre. For though our object is directed simply and chiefly to those who take a particular interest in our pages, yet we cannot help thinking while we write what power there may be in such arrangements to cordialise the business of life in many other directions, to cement the interests of employers and employed and to assuage that war of Capital and Service which has produced, and is ever producing, baleful consequences on the manufacturing and commercial prosperity of the kingdom.

THE IMPERIAL BANK OF GERMANY AND COMMERCIAL BILLS.

We gave, in our December number, a translation of a communication addressed by the Minister of Agriculture and Commerce in France to the Chamber of Commerce at Rouen on this subject, referring to the spelling of the word *marc* or *mark* in bills drawn on Germany. The following letter relates to the same point : —

“Versailles, 13th Nov. 1876.

“To the President of the Chamber of Commerce at Rouen.

“In continuation of a communication made to me by the Department of Foreign Affairs, I had the honour to inform you on September 28th, 1876, that the Imperial Bank of Germany (*Reichsbank*) would only discount commercial bills written with the word *mark* spelled in that manner; and that it had recently declined to discount a bill drawn by a commercial house at Florence on one at Berlin, for the sole reason that the sum payable was indicated with the word *marc* instead of *mark*, as is frequently the case in French and Italian commercial paper.

“This information, given by the *Gazette de la Bourse* of Berlin, and extracted by one of our consular agents, was founded on an error, and the Bank has addressed a circular to its branches in explanation. The Directors of the *Reichsbank* state in this document they are of opinion that bills of exchange, in which the sums are expressed in *marken* or in *reichsmarken*, should be refused, because these words are not the plural of the word *mark*, but of *marks* (for example *stempel marks*, the official stamp marking the rate of duty). But on the contrary, no objection should be made to the orthography of the words *marks* or *marcs*, which, as employed in French or English bills, give rise to no misunderstanding, and express clearly that imperial marcs are understood.

“I think it my duty to give you this explanation to rectify the

former statement, in order that you may bring it to the notice of the merchants and manufacturers of your district.

“Accept, &c.,

“TEISSERENE DE BORT,

“Minister of Agriculture and Commerce.”

BANKING INSTITUTES.

THE syllabus of the arrangements for lectures, classes, examinations, &c., at Edinburgh and Glasgow, made by the Institute of Bankers in Scotland for the session 1876-7, which we printed in our last number, shows the vigour with which our banking friends over the Border continue, in the course which they commenced last year, to afford facilities for educational improvement to the gentlemen engaged in the banks in those cities. The statement they have issued is calculated, we think, to draw the attention of our readers to the value of such an institution, and, whilst congratulating our neighbours upon the successful manner in which they have led the van in this important undertaking, we look forward with interest to any steps that may be taken with a view to establish a Banking Institute in London of a more general and comprehensive description. The number of employés in banks in the metropolis is very large, and the importance of many of these establishments is enhanced by their representative character. Not only are the most important banks and bankers of the United Kingdom located or represented in the metropolis, it contains also numerous establishments connected with banking in our colonies and many other parts of the world. That such a numerous and important class of the community should be unrepresented by any special association may appear strange at first sight, but we are aware of some of the difficulties with which the question is beset—the very magnitude of the place presents one of the chief causes of impediment—men as a rule reside out of the City, many at a considerable distance therefrom, and when their day's occupation is over they speed away from it in all directions, east, west, north and south, and so become in a great measure disconnected from the local associations which abide in smaller cities and towns. Still there are signs of an increasing desire amongst bank employés to avail themselves of opportunities for educational improvement. For example the full attendance given at the Gilbert Lectures on Banking at King's College. A Banking Institute would be the fitting medium for fostering and encouraging this spirit, and would afford fuller scope for its

exercise, whilst many other advantages might be expected to accrue from such an association as we have indicated. Upon the whole we are inclined to believe that a Banking Institute in London would meet with a good deal of support, not alone in that centre, but throughout the country and the colonies. We shall be happy to receive communications from any of our friends who may desire to express their views upon this question. Meanwhile we reprint the following extract from one of the early numbers of the *Bankers' Magazine*, and we hope that, if a Banking Institute cannot take root in London, these practical suggestions will not pass wholly disregarded.

"Bank clerks generally commence their acquaintance with business at an early age, and in the greater number of cases leave the school form for the office desk; they therefore enter upon business with an unfinished education, and trust to time and experience for the acquisition of that knowledge which it is absolutely necessary for them to possess.

"In acquiring knowledge from books, bank clerks labour under great disadvantages; generally sent away from their friends at an early age, and often placed in small country towns, where no books are to be procured except the trashy contents of a country circulating library, they in a short time lose those habits of study rendered natural to them while at school, or if the taste for reading still survives, it is generally only to be supported by the novels or light periodicals of the day.

"What can be more dispiriting to a young man, who enters a bank with the intention of making himself perfectly acquainted with the different operations of commerce and law that relate to his profession, who resolves, by persevering industry, and uniform good conduct, to earn for himself one of those high stations where the bounty of directors is showered with an open hand—what can be more dispiriting, than to find at the very onset that his further progress is stopped by want of funds to purchase the books he requires for the prosecution of his studies? Thousands of clever bankers and merchants have thus been lost, who by the timely outlay of a few pounds could have been made most useful members of society; and there are at the present moment hundreds of young men, who, if they received proper encouragement, would become ornaments of their profession, instead of the mere ciphers, which the present mode of treating bank clerks is so admirably adapted to form.

"As a practical man, the writer of this is aware that it would be impossible to increase *all* the salaries of the junior clerks to such a sum as would give them a command of books sufficient for their banking education; and even if it could be done, not one-quarter of the present clerks would make this use of their increased salaries. There is, however, one method which, if tried, would, at the

expense of a few pounds, afford bank directors a proper supply of really good officers; and that is, by the directors of banks paying a certain proportion, say three-quarters or one-half, of the expense of any educational works required by their clerks. This would not form a heavy item to the debit of profit and loss, as, by not paying the entire price, the directors may rest assured that the demand for the books would only arise where they were really wanted; for the clerk who did not intend to read, would certainly not give one-quarter the price for a work of which he intended to make no use; while to those who really intended to study, such an opportunity of procuring books would be considered as an incalculable boon.

"Joined to a proper supply of books, frequent removal of the junior officers from one branch to another would be found to be productive of great benefit. With the most perfect knowledge of his business that can be obtained in a single office, let a young man be removed, and in three months he will have doubled his stock of banking knowledge, and this too, when the only change that has taken place consists in his removal from one branch to another, and where the business is conducted in both by the same rules. When we consider the great importance of education to bank clerks, and the small cost at which it could be secured, if this plan were carried out, we are led to hope, that those who have the power will not neglect the means of making good officers."—*The Bankers' Magazine*, Vol. for 1847, pp. 71–72.

HISTORY OF BANKING IN SCOTLAND.

THE first establishment for the purpose of banking in Scotland, was founded in 1695. The Scotch Parliament passed an Act on 17th July of that year, intituled "An Act for erecting a Publick Bank," authorising the Crown to grant a charter of Incorporation to Mr. John Holland, a merchant of London, and eleven Scotch merchants whom he had induced to join him, under the title of the Bank of Scotland. By this Act the capital was fixed at £1,200,000 Scots, that is £100,000 sterling; subscriptions were authorised for amounts ranging from £1,000 to £20,000 Scots, of which 10 per cent. was to be paid on application; the bank was permitted to lend on real or personal security at a rate not exceeding 6 per cent., and if the loans were not repaid, the security held therefor might be brought to public sale; transfers were freely permitted, and the stock could be carried by wills; the consent of a general meeting of proprietors was necessary before the declaration of a dividend, and the stock was exempted from taxation for twenty-one years, for which period a monopoly was granted to the bank; no sum could be

withdrawn from the joint stock, and no other trade than that of money lending and borrowing and bill discounting could be embarked in. Certain privileges for recovery of debts were also granted, and the terms on which advances to Government might be made were regulated. The most curious privilege, however, was that of naturalization granted to all foreigners who subscribed to the stock. Two-thirds of the stock required to be held in Scotland, which amount was taken up in November and December, 1695. The subscription list for the one-third of the stock allotted to London was filled in a single day, the applicants being mostly Scotchmen. The governor and twelve directors were at first English, and the deputy governor and remaining twelve directors Scotch, but this regulation was afterwards altered, and all the board became Scotch, as they soon proved their eminent capacity for bank management. The English business was then managed by thirteen trustees.

In spite of the monopoly granted to the Bank of Scotland, the next year, 1696, produced a rival in the shape of the famous African Company, better known from the failure of their projected settlement of the Isthmus of Darien. This company was originated by William Paterson, the founder of the Bank of England, and it was received with immense favour by the public, £400,000 being subscribed almost in an instant in Scotland. But its opposition was shortlived for the want of support from the English Government, mismanagement and consequent heavy losses brought ruin in their train. The bank, however, called up two-tenths of their capital (£20,000) to strengthen their position, but after the collapse of the African Company this was repaid. Branches were opened in 1696 in Glasgow, Aberdeen, Dundee, and Montrose, but did not prove sufficiently remunerative to be continued, and at this period the private merchants still controlled all exchange operations.

Contrary to what might have been supposed, the early profits of the bank were not drawn from public deposits, but from the note circulation issued on the credit of the paid up capital. These notes were for £100, £50, £20, £10 and £5. Till 1699, the lowest denomination of note was for £5 Scots, equal to 8s. 4d. sterling, but in this year notes for 20s. Scots, equal to 1s. 8d. sterling were issued, and it was not until 1704 that those for one pound sterling were first circulated. The head office of the bank was situated in Parliament Close, and during the great fire there in 1701 the cash and other effects were removed to the Castle, the Governor of which—the Earl of Leven—was at the same time Governor of the bank. Fire, however, was not the only ordeal the bank had to undergo during the early years of

its career, for in December, 1704, a report that the Privy Council were about to raise the value of the coin, caused such a drain of the precious metals, that the bank had to stop payment. Thereupon the proprietors declared that their notes should carry interest until paid, and their books were audited and reported on by a Committee of the Privy Council who found the bank to be not only solvent but flourishing. Thus the notes were saved from depreciation, and in less than five months all were paid off with interest as promised, the directors having called up another tenth of the capital.

The bank drew a considerable profit from the union with England in 1707. They undertook the conversion of the Scotch coinage into that of England, for a commission of one-half per cent., and collected the old metallic currency, issuing in return either their own notes or the new coinage. By the 15th Article of the Treaty of Union any loss sustained by private persons on the exchange was defrayed out of the Equivalent Fund, of which we shall hear more presently.

In 1715 the bank stopped a second time. The Jacobite rising in September of this year caused a run for coin. This was aided by the directors to prevent it falling into the hands of the insurgents. The Government balances, amounting to £30,000, were taken to the Castle, and, as after the stoppage of 1704, the notes were again declared to bear interest. These were all paid off, with interest, in May, June, and July of the following year, 1716, when the twenty-one years during which the bank held the legal right of exclusive banking under their charter expired.

As the bank had been highly remunerative—according to one statement the dividends had ranged from 35 to 50 per cent.—an agitation was soon begun for the establishment of a rival concern. The Equivalent Fund provided by the Treaty of Union having proved insufficient to meet the claims of all the State creditors, both civil and military, an Act of Parliament was passed in 1714 constituting their debts, and in 1719 an annual grant of £10,000 was provided in satisfaction thereof. In this year they obtained an Act empowering the King to incorporate them as a body politic by letters patent. They then proposed to the Bank of Scotland to add their capital of £250,000 to the banks' stock, which would thus be increased to £350,000, and to allocate the annual grant of £10,000 rateably between them in the proportion of $\frac{3}{7}$ ths and $\frac{4}{7}$ ths. As only one-tenth of the bank's capital had been called up, the proprietors of the Equivalent Fund were to be allowed to draw out nine-tenths of their capital in notes, thus leaving £35,000 as the actual working capital of the combined concerns. These proposals were, no doubt, admirable from the

fundholders' point of view, but they did not seem so tempting to the bank, who declined them for the following cogent reasons:— (1) The bank's charter did not give power to amalgamate, and their capital was restricted thereby to £100,000. (2) While their stock was worth fully ten per cent., the annual grant was only four per cent. on the capital of the fund, with which, therefore, they could not amalgamate at par; and (3) the stock of the bank was already enough for the requirements of the country; if more was wanted the nine-tenths of uncalled capital was available, and could be called up.

Proposals for amalgamation were also made by the Edinburgh Society, which had been established under the pretence of being a Fire Insurance Company, and by the London Assurance Company, but both met the fate of the Equivalent, and were rejected. In revenge the former tried to organise a run on the bank, collected £8,400 in notes, circulated rumours of the run, and demanded payment in specie, but in this also it was defeated, and after the passing of the Bubble Act had to dissolve, being an illegal association.

In 1724 letters patent were granted to the proprietors of the Equivalent Fund, as authorised by the Act of 1719, and His Majesty King George the First agreed to give them such powers as he competently could from time to time. They accordingly applied for permission to bank in Scotland under the Royal Letters Patent. In 1726 the Bank of Scotland heard thereof, and naturally did their utmost to oppose the application, and called up two-tenths of the capital to strengthen their hands, making £30,000 now paid up. But the opposition was futile, and on 31st May, 1727, the Equivalent Company obtained their charters. The king's death on the 11th of June, however, prevented it being sealed till 8th July; and on 8th December, 1727, they commenced business under the style of the Royal Bank of Scotland, with a capital of £151,000, which has now been increased to £2,000,000 sterling.

So far from injuring the Bank of Scotland, both establishments prospered to a great degree, and the Bank of Scotland's stock shortly after stood at 400 per cent. The directors of the Royal Bank were empowered to call up one-half of the capital, but they had no power to compel payment except by retaining the dividends as they became due, and unlimited powers of issue were granted to them. Several of the directors, being trustees of a fund amounting to £20,000, sent by Government to assist fisheries and manufactures in Scotland, voted that this sum should be deposited in their hands, which was done.

The honour of initiating the system of cash credits, which has

given such an enormous stimulus to Scotch trade and agriculture, belongs to the Royal Bank, who commenced to open these accounts in 1729. This is one of the chief distinctive features of Scotch banking, and deserves special notice.

Another attempt to establish branches in Glasgow, Aberdeen and Dundee, was made by the Bank of Scotland in 1731; but this time also they were found to be unremunerative, and were withdrawn in 1733.

About this period a number of companies were set agoing for the purpose of banking, as the Bank of Scotland had proved so successful. These companies issued an enormous number of notes, representing sums of 10s., 5s., 1s., and even 1d. This flood of paper produced the natural consequence of over issue, namely, a depreciated paper currency; for the Bank of Scotland, and after them the other companies, in order to protect themselves from the consequences of these over issues, inserted a clause in their notes giving the directors the option of either paying in specie on demand or delaying payment for six months thereafter with 5 per cent. interest. This clause rendered the notes practically *inconvertible*, forced the coin out of circulation, and depreciated the value of the note 4 per cent., or, taking into account the degraded nature of English coin, and the market price of gold, which was then £4 per ounce, the total depreciation was about 6½ per cent.

The position of the Scotch banks was, at this time very alarming—a position produced entirely by their ignorance of the principles which should regulate a paper currency, and consequent neglect of them. Gold had to be procured by their agents in London at a cost of 1½ to 2 per cent., and a further ½th per cent. had to be paid for insuring its safe transmission by waggon, and it could not always be procured in such quantities as were requisite. The suppression of the Jacobite rising of 1745-6 gave rise to more companies to add to an already overgrown currency. Under pressure of this danger the two principal banks obtained the Act 1765, cap. 49, by which all notes for sums under 20s. were suppressed, and the optional clause was struck out of the notes, which henceforward were payable on *demand*, rendering them once more convertible. Coin rapidly returned into circulation, and from that time down to the present hour the value of the notes of the Scotch banks has never varied from par, though perfectly unrestricted in amount of issue until 1845.

In the year 1746 the third of our large Banking Companies was founded by a number of influential gentlemen connected with the Board of Trustees for Manufactures for the purpose of

encouraging the Manufacture of Linen in this country, which was in danger of being monopolised by the Irish. They were incorporated under the name of the British Linen Company, with a capital of £100,000, which has been successively raised to £200,000, £300,000, £500,000, and now it stands at £1,000,000, and they have become one of the most powerful and wealthy of our Scotch Banks. They, however, soon abandoned the special feature of their business and embarked in banking generally. The stock now stands at £290, with a dividend of 11 per cent. and bonus of 2 per cent.

In the interesting "Memoirs of a Banking House," from the pen of the late Sir William Forbes, there is given an account of the origin of the great banking houses of Coutts & Co. and Herries & Company of London, and of the Edinburgh firm of Coutts, Brothers & Co., who, on 1st February, 1763, received him into partnership under the style of John Coutts & Co. They afterwards became, on 1st January, 1773, the well known private bank of Sir William Forbes, J. Hunter & Co., now incorporated with the Union Bank. They originally were a mercantile house, and as usual at that period combined bill dealing with their other transactions, but at the date of Sir William Forbes joining the firm they resolved to abandon their mercantile trade entirely and follow the business of banking alone. The Dundee Banking Company, which united with the Royal Bank in 1864, was founded also in 1763.

The Perth Banking Company commenced business in 1766. It was incorporated with the Union Bank in 1857.

The Aberdeen Banking Company was started in the next year, 1767, and it has also been swallowed up by the Union in 1854.

On 6th November, 1769, the Bank of Messrs. Douglas Heron & Co., better known as the Ayr Bank, commenced business. Their capital was £150,000 in 300 shares of £500 each, of which no partner could hold more than 4 or less than 1. The head office was in Ayr, with branches in Edinburgh and Dumfries. This Bank was founded to remedy the alleged distress caused by what was termed the *niggardly* conduct of the other banks who exercised a wise prudence in conducting their discounts, which offended a large number of speculators and projectors to whom the banks would not advance money for the furtherance of chimerical adventures and bubble companies. Among the partners, who numbered about 230, were the Duke of Hamilton and many other large landowners. Of the 80 per cent. of the subscribed capital which was paid up, a great part was borrowed by the proprietors themselves, thereby crippling the resources of

the Bank at the outset. In two years they had issued £2,000,000 of notes, and advanced upwards of £8,000,000 at 5 per cent. to different people. The interest on the amount of notes in circulation might be counted as profit subject only to expenses of management, but the remaining £6,000,000 had to be procured by drawing on London, and when the bills fell due renewing them for the amounts together with interest and commission, thus costing the Bank about 8 per cent., and causing a dead loss of 3 per cent. on three quarters of their business. Instead of relieving the distress, as was intended, it was only aggravated, for such ruinous management could not last long, and they had attracted all those dealers in bills, whose paper the other banks would not take, by their readiness to discount, thereby only relieving those banks from their doubtful customers instead of supplanting them as they had fondly hoped. In consequence of giving credits in various ways too readily their issue of notes was far beyond what could be employed in the circulation of the country, and they were continually returning to the Bank for conversion into coin, which had to be borrowed to meet this demand, so the profit to be expected from their credits was actually converted into loss on account of the difficulty and expense attendant on this constant borrowing.

Such was the state of affairs when Mr. Alexander Fordyce, a partner of Neale & Co., one of the largest banking houses in London, absconded with £300,000. He was a Scotchman who had largely engaged in speculating, and having a great Scotch connection suspicion naturally attached to the correspondents of his house, which ended in a panic, and a run commenced on the Ayr Bank on 17th June, 1772, causing its stoppage on the 25th. Eventually all its engagements were paid with interest by the shareholders, but the failure shook the credit of all Scotland, which has seen only other two such crises, namely, the collapse of the Darien Scheme before, and the Western Bank failure since. Only the three chartered and three private banks, Mansfield, Hunter & Co., William Cuming & Sons, Sir William Forbes, J. Hunter & Co., survived the shock thus occasioned. In two years and a-half the Ayr Bank had lost £400,000, but the other banks at once gave notice that they would accept its notes, knowing that the shareholders were sufficient to pay off all the bank's liabilities. The Glasgow Merchant Bank paid its creditors in full, but Johnston, Smith & Co., and Fordyce, Grant and Co., only paid dividends, the latter being only about 6s. 6d. per £. The system of accommodation bills—popularly termed “kites,” or “wind bills”—which is such a fruitful cause of commercial failure and distress, appears to have sprung up in Scotland about

this period, although Adam Smith affirms that it had been long previously known in England.

By the Act, 1774, c. 32, the Bank of Scotland was allowed to double its stock, and shareholders might hold as many as forty shares. In this year the bank made a third and successful attempt to open branches. Ten years afterwards (1784), the capital was raised to £300,000 by the Act, 1784, c. 12, and the clause limiting the amount of stock which could be held by one proprietor was repealed. It was raised to £600,000 by the statute 1792, c. 25. Again in 1794, by cap. 19, to £1,000,000, and by 1804, c. 23, it was raised to £1,500,000 of which £1,000,000 has been called up. The shares are for £150 each, £100 paid up, and are now quoted on the Stock Exchange at £318. The Bank of Scotland recently, on the 7th July, 1873, obtained power to issue capital to the amount of £4,500,000. The dividend is 14 per cent.

The French Revolution was the cause of the next great panic in 1793, together with the large increase in the number of English country bankers. During this panic numbers of large merchants and manufacturers of Glasgow succumbed, and on the 14th March, the Glasgow Arms Bank suspended payment. In England the panic was equally severe, and in spite of all entreaties the Bank of England refused assistance. On 16th April, Sir John Sinclair, under the direction of Mr. Pitt, obtained the appointment of a Committee of the House of Commons, who, following the plan of Montague in 1697, procured the issue by Government of Exchequer Bills to the extent of £5,000,000 for small amounts, viz., £100, £50, and £20, thereby allaying the great demand for gold and for the necessary discounts to enable houses, otherwise thoroughly solvent, to tide over the crisis. Failure seemed to threaten the whole country, nearly all the English country banks were in danger, and the Scotch banks could not furnish the accommodation required by the mercantile houses and country banks, with proper regard for their own stability. £70,000 were sent to Manchester and Glasgow in anticipation of the issue of the Exchequer Bills which had more effect in allaying the panic than ten times the amount could have had a few days later, as the mere knowledge that advances *could* be obtained, prevented the necessity of obtaining them. There were 332 applications to the Treasury for these bills to the extent of £3,855,624. 238 of these were granted for sums amounting to £2,202,000. 45 for £1,215,100 were withdrawn, and the remaining 49 amounting only to £438,524 were rejected. All were eventually repaid, and only two of the assisted parties failed. The names of those assisted

in this manner were scrupulously kept secret, and after defraying all expenses the Government cleared £4,348 of profit. As a proof of the severity of this panic in Scotland, the excess of deposit receipts repaid over those granted by the banking house of Sir W. Forbes & Co., alone from 1st December, 1792 to 23rd May, 1793, was £263,724, and in the week ending 30th April, 1793, 608 receipts were uplifted and only 60 granted.

In 1793, Messrs. Bertram, Gardner & Co., Edinburgh, a firm which existed in 1778, was sequestrated, and paid about 17s. 6d. per £.

The next year, 1794, George and Andrew Thomson of Glasgow, failed, and paid their creditors in full. They commenced business in 1785.

William Scott, a private banker, existing in 1781, became bankrupt in 1795, and did not meet his liabilities.

The next event of importance in the monetary history of this country was the panic of 1797, caused by the political situation, and a succession of unfavourable harvests, as well as by the large amount of treasury bills, &c., due by the Government to the Bank of England causing the latter to contract their issues to the utmost limit. On Saturday, 25th February, 1797, the cash in the Bank of England was reduced to £1,272,000, and by the most strenuous exertions and rigorous reduction of discounts the issues stood at £8,640,250. Consols fell to 51 and everything else was proportionately low. On Sunday, the 26th, the cabinet met at Whitehall and issued an order in council prohibiting the Bank of England from paying in cash till the sense of Parliament had been obtained. Next day, the 27th, in compliance with the King's Message, a Select Committee was appointed to investigate the Bank's affairs. This day the cash stood at £1,086,170.

The news of the suspension of specie payments reached Edinburgh by an express from Thomas Coutts and Company to the Bank of Scotland causing an immediate run for coin on the banks. Mr. Simpson, the cashier, Mr. James the Deputy Governor of the Royal Bank, Mr. Fraser, the Treasurer of the Bank of Scotland, and Mr. Hog, Manager of the British Linen Company met at the office of Sir William Forbes, J. Hunter and Co., and with the partners of that firm proceeded to the Bank of Scotland there the Directors had already met, and after consultation agreed that their only course was to follow the example of the Bank of England and stop cash payments. The Lord Provost convened a meeting of the citizens in imitation of the 4,000 London merchants who had passed a resolution pledging themselves to support the credit of the Bank of England's notes, which was held at two o'clock when the Lord President of the

Court of Session, the Lord Chief Baron of Exchequer, the Lord Advocate and the Sheriff of Edinburgh were present, and the meeting unanimously resolved to accept the notes of the Scotch banks as hitherto and to support their credit. Notice of this resolution was inserted in all the newspapers and circulated throughout the country.

The scenes which this stoppage of cash payments gave rise to were extraordinary. Crowds besieged the telling tables anxiously seeking gold and silver for their notes, and the demand for small change especially among the lower classes was very great. Various expedients were resorted to to supply this want; notes were halved and quartered—it being illegal to issue notes for less than 20s.—quarter guineas were coined, and Spanish dollars impressed with the mint stamp were issued at 4s. 6d. An Act was passed by Parliament authorising those banks which already issued notes to put into circulation for a limited period notes for 5s. The Bank Restriction Act, 37 Geo. III., cap. 45, was passed on 3rd May, which *inter alia* authorised the advance in cash of £25,000 each to the Bank of Scotland and the Royal Bank. The report of the Committee of the House of Commons on the affairs of the Bank of England had been received previously, and stated that on 25th February there existed a surplus of assets over liabilities to the amount of £3,126,890 *exclusive* of the government debt of £11,686,800—on which interest at 3 per cent. was paid to the bank. By these measures, the panic was allayed and public confidence restored.

In 1808 the license duty on notes was first imposed, and the following banks were in existence at that time, though I have been unable to ascertain the dates of their establishment.

1. *Private Banks.* Dundee New Bank; Falkirk Banking Company; Galloway Banking Company, or Sir . . Douglas, Bart.; J. Napier and Company; Kilmarnock Banking Company; Paisley Banking Company; Paisley Union Bank, or Union Banking Company; Ship Bank, or Carrick Brown & Company; and the Thistle Bank.

2. *Joint Stock Banks.* Ayr Bank, or Hunter's and Company; Aberdeen Commercial Bank; Dundee Union Bank; Fife Banking Company; and the Greenock Bank Company.

(To be continued.)

TESTIMONIAL TO MR. EDWARD ATKINSON.

On Saturday, the 16th December, a meeting of a very interesting character took place at the Cannon Street Hotel. It was convened for the purpose of presenting a testimonial to Mr. Edward

Atkinson, Joint General Manager of the National Provincial Bank of England, on his retiring from the office after 40 years' service. The meeting was attended by a very large number of the officers of the bank, representing the branches as well as the head office. Mr. Richard Blaney Wade, the chairman of the bank, and many of the directors were present, and evinced the liveliest interest and most kindly sympathy throughout the proceedings. The testimonial, which was subscribed for by the officers and staff alone, the subscription being limited, was most appropriately presented by Mr. William Holt, Mr. Atkinson's coadjutor. It consists of a massive service of plate, which was greatly admired for its chaste design and classic beauty, and a life-size portrait of Mr. Atkinson, upon which is placed the following inscription :—

“ Presented to Edward Atkinson, one of the General Managers of the National Provincial Bank of England, by his brother officers, as an expression of their respect and esteem, on his retirement from the bank after an honourable service of more than 40 years.”

The address was as follows :—

“ To EDWARD ATKINSON, Esq.

London, December 16th, 1876.

“ DEAR SIR,

“ The announcement of your retirement from the position of Joint General Manager of the National Provincial Bank of England, has been received throughout the establishment with a feeling of unfeigned regret; for while your brother officers recognize the reasonableness of your having rest after your long and onerous labours, they cannot, at the same time, but be conscious that a connection between them and yourself, which was of a most pleasant character, is now dissolved.

“ When you filled the post of Chief Inspector of Branches, you came much in personal contact with an elder generation of officers, and while discharging the delicate duties of your office with tact and skill, you left behind you, in your visits, kindly memories which have not yet died out.

“ In due season your merits summoned you to the higher appointment which you have just vacated. You performed its arduous duties with marked ability. You ever showed a kind consideration for the welfare of the officers, and you leave them the example of a banking career pursued for more than forty years with talent, success, and unsullied integrity.

“ Animated by a desire to mark their recognition of these qualities, your brother officers have subscribed together to present you with a service of plate and your portrait; the acceptance of which they now solicit at your hands as a token of their genuine esteem.

“ The accompanying volume, itself a gift from the designers, contains an illuminated list of the names of the various contributors to the fund.

"They desire also your acceptance of a gold locket for your niece, Miss Habbishaw, who has for so many years lightened by her loving assiduity the burden of your domestic cares.

"They would only further express their earnest hope that the Great Disposer of Events may spare you for many years, to enjoy the leisure to which you retire, and may permit you to see the increasing prosperity of that establishment with which so large a portion of your life has been bound up.

"Signed on behalf of 1,070 Subscribers,

"W. HOLT."

Mr. Holt, in presenting the testimonial, alluded in the most kindly terms to the long service of Mr. Atkinson, and to the high estimation in which he was held by all. Commencing as an accountant in a branch, he had steadily risen step by step till he became inspector of branches and joint general manager, and he had won the confidence, esteem, and respect of the officers and the directors alike. That he was respected by the officers was evidenced by the very handsome testimonial which was presented to him that evening; and that he was equally respected and in the enjoyment of the entire confidence of the board was shown by the fact that on his retirement from the more active duties he had been appointed an honorary director. (Loud cheers.)

Mr. W. Haig Miller, of London, also addressed a few congratulatory remarks to Mr. Atkinson, tracing that gentleman's career during his long connection with the bank, and observing that his punctuality in attendance to his duties was an example to all. In every relation he had ever been most just and considerate to those under him, and ever ready to assist them in solving a difficulty.

Mr. Quin (manager of the branch at Bath) also desired to bear testimony to the ability, urbanity, and kindness of Mr. Atkinson. He had known that gentleman from his first connection with the bank, and the example set many years ago, when to be at a certain branch at a certain time he walked 25 miles before breakfast in order to inspect some accounts, was not, and he trusted never would be, without its good effect on the younger and rising members of the staff.

Mr. Henry Lord expressed the congratulations of the staff of the London office.

Mr. Payne (of Portsea branch) and Mr. Porter (of the Birmingham branch) also addressed a few congratulatory observations, wishing Mr. Atkinson very many years of life to enjoy the season of rest which he had so honourably won.

Mr. Atkinson, who, on rising, was loudly cheered, and spoke with some emotion, thanked the subscribers one and all for the very handsome testimonial which had been presented to him that evening, assuring them that he should regard it as one of the most pleasing episodes of his life, the memory of which would be still more grateful from the kindly expressions of the speakers, which

had been so heartily endorsed by that large assembly. He had always endeavoured to do his duty to the bank, and to all those acting under him, as well as to the directors. If he had won their esteem, as he had ever tried to do, he was satisfied, and especially grateful for the very substantial and gratifying manner in which it had been expressed that evening.

The occasion was further celebrated by a dinner to Mr. Atkinson after the meeting, the proceedings at which were of a very cordial description, and Mr. Atkinson again responded to the many kindly sentiments expressed by the officers present.

Banking and Commercial Law.

A CASE of "*Talbot v. Cody*," 10 Irish Reports, 138, decided some months ago in the Rolls Court, Ireland, calls for comment. The head-note to this case is, "Husband and wife—Deposit receipts in their joint names—Effect of them at law and in equity—Wife surviving entitled to them." The facts were as follows. A man had, for a series of years, lodged money in the National and in the Hibernian banks on deposit receipts, some of which were in his own name and others in the joint names of himself and his wife, and he frequently changed deposits already made in his own name into their joint names. There was some evidence of statements made by him to his wife, but resting on her testimony, that he had acted thus with the object of enabling the survivor to take the principal. At the husband's death there were in the two banks four deposit receipts in their joint names, and one in his own name alone. The Court held that the joint lodgments were advancements for the wife, who survived. In the course of the arguments before the Court, occupying two whole days, no less than thirty-five decided cases, on the one side or on the other, were cited. Talbot, the plaintiff, was the executor of the deceased husband, and claimed the several sums in the two banks as part of the estate of the testator. The Master of the Rolls, in the course of a lengthy and elaborate judgment, drew a distinction between money so lodged on a current account and a deposit receipt taken from a bank; but the learned judge came to his decision in favour of the wife, as against the executor and a beneficiary under the will of the deceased husband, by finding that the acts of the husband in the particular case constituted *a sufficient intention* on his part to make a gift to the wife, if she survived him. The judgment in this case sufficiently demonstrates the danger and risk

which bankers would incur if in similar cases they are led, upon the authority of this case, to pay to the wife surviving, without regard to any claim by the executor or by beneficiaries under the husband's will, or by his administrators or next of kin. For instance, the learned judge said, "The conclusion I have come to on the whole case is, that—having regard to the money dealings with the bank, the number of them, the course which he followed up and worked out sedulously so as to retain his wife's name in the deposit receipts to the last—there is sufficient evidence to hold that he constituted himself a trustee for the joint use of himself and his wife, and that she takes the money by survivorship." The mere fact that a joint deposit, as in this case, has been made, is not in itself, we venture to say, sufficient to entitle the wife to the fund by right of survivorship; indeed, we will go further and we will say that the mere joint deposit gives no property in the fund to the wife upon survivorship.

UNITED STATES SUPREME COURT.

CASE INVOLVING THE LIABILITY OF BANK TRUSTEES.

Homor v. Henning et al.—Error to the Supreme Court of the District of Columbia. The argument of this case was commenced. It was an action against the defendants as trustees of the Washington City Savings Bank, to make them personally liable for the sum of \$4,000, the allegation being that the liabilities of the bank exceeded the amount of its capital stock, and that by the Act of 1870, as amended, the trustees become personally liable when such a state of things existed. The court below sustained a demurrer to the bill, raising the point that this personal or individual liability did not apply to the indebtedness of a savings bank to its depositors; and averring that if it did, the bill did not allege that the debt claimed by the plaintiff was contracted in excess of the amount of capital stock; and also raising the question whether the liability of the trustees was to all the creditors, or to each. It is here contended that the Act speaks of creditors generally, and hence it applies to depositors as well as others, and that it holds the shareholders liable to each creditor who may sue. It is also urged that the bill was sufficiently explicit.

The case of *Misa v. Currie and others*, which is reported in the *Law Times Reports*, volume 35, page 414, came recently before the House of Lords on appeal from the Court of Appeal. The House of Lords decided in reference to this action that a banker's lien upon all securities deposited with him by a customer, and received by him *bona fide*, is not affected by any equities which may exist between that customer and a third party. The appellant purchased from L. drafts on Cadiz. The day before the purchase-money was payable L. deposited with the respondents, his bankers,

to whom he was largely indebted, a document dated the following day, requesting the appellant to pay the purchase-money to the respondents. The next day the appellant paid the amount by cheque, but on the same day L. stopped payment, and the appellant refused to pay the cheque. The drafts were subsequently dishonoured. In an action on the cheque: Held (1) that there was a good consideration between L. and the appellant at the time the cheque was given, which could not be affected by subsequent events; (2) that the surrender by the respondents of the document deposited with them amounted in law to a good consideration for the cheque; (3) that the document was not a draft payable at a future time within the meaning of the Stamp Act, and that therefore the respondents were entitled to recover. The judgment of the court below was therefore affirmed.

FORGERY OF NOTES BY MEANS OF PHOTOGRAPHY.

WE print elsewhere an account of a forgery of the notes of the Lancaster Banking Company through the means of Photography. Though these forgeries do not appear to have been very skilfully executed, yet several persons were taken in by them; but a short time however elapsed before the guilty person was detected and apprehended. Forgeries of provincial notes have been very seldom attempted in England of late years, and when they have been attempted the fraud has been discovered in a very short time. The reasons for this were very clearly stated by Mr. F. Seebohm in his evidence before the Select Committee of the House of Commons in 1875, and the proceedings in the present case so entirely bear out the correctness of his remarks on the subject that we subjoin them here:—

“The English country issues afford a currency singularly free from the risks of forgery; and it is their local character which gives them this advantage.

“If a country note be suspected, its genuineness can at once be determined by a presentation at the issuing bank.

“Nor is the forgery of local notes likely to be attempted, because the notes forged must be circulated in the locality where alone the local notes imitated have currency. It hardly could be more than a few days before the fact of the forgery must be discovered, and all men be put upon their guard.”

FORGERY OF THE NOTES OF THE LANCASTER BANKING COMPANY, BY MEANS OF PHOTOGRAPHY.

(From the *Lancaster Gazette*.)

On Nov. 29th, 1876, Alice Waller, *alias* Higgins, was again brought up on remand at the Judge's Lodgings, before T. Howitt, Esq., charged with forging and uttering two £5 notes with intent to defraud the Lancaster Banking Company. The first case entered into against the prisoner was that she, Alice Waller, otherwise Alice Higgins, did, on the 20th day of November, 1876, at the township of Poulton, in the County of Lancaster, feloniously utter a certain forged note for the payment of five pounds of the Lancaster Banking Company, carrying on the business of bankers, commonly called a bank note, with intent thereby to defraud, contrary to the form of the statute in such case made and provided. Mr. Clark prosecuted; the prisoner was not legally represented. The case seemed to have excited great interest, the court being crowded by persons anxious to hear the proceedings.

Mr. Clark, in opening the case, said he appeared on behalf of the prosecution. The woman gave the name of Waller, but whether she was married or not, or whether she had a husband living, the police had not been able to ascertain, but that was not very material to the present inquiry. The case was very clear and very short. On the 20th November the prisoner was at Morecambe, and she first went to the house of a person named Holmes, and asked for a shilling's worth of brandy, he being an innkeeper. That seemed to have been the general practice of the woman in passing these notes. Holmes, however, did not like the look of the note, and refused to take it. The prisoner then went to the house of Mrs. Willacey, and there asked for a shilling's worth of brandy, and again tendered the note which he would produce before the Court, and which prisoner was charged with forging. Mrs. Willacey had not sufficient change herself for the note, and her daughter, who had received the note, went to the house of the prosecutor Blacow, who was also an innkeeper at Morecambe, and he changed the note for her. Miss Willacey then took the money back to her mother's house, took a shilling out in payment for the brandy, and gave the rest—£4. 19s.—to the prisoner. Mr. Blacow, soon afterwards, had a strong suspicion as to whether the note was genuine or not, and he went to the Skerton police office, and showed it to Mr. Jarvis. He, as usual, acted very properly in the matter, and showed an amount of thought and tact which one did not often hear of. He sent Police-sergeant Tomlinson at once to the railway station, to see if the woman would attempt to leave by train, and if he found anyone corresponding with the description of the prisoner he was to take her into custody, and not let her have the use of her hands, but secure them. The sergeant found the woman at the station, and on the way back to the police office she was noticed to be very uneasy, and somewhat anxious to get her hands at liberty. However, she was brought to the police station and there searched, and secreted on her were found five more forged notes. He mentioned that matter, though it would form the subject of another inquiry; but he did so merely to show that the woman was a regular trafficker in forged notes, and could have no idea that the note she passed to Willacey's was a good one. The notes had been manufactured by means of photography, and a photographic apparatus was found at her lodgings, as well as the negative of the forged notes. It would seem that the photographic process of manufacturing these notes had been dealt in to a considerable extent by the prisoner, and it was fortunate that this discovery had been made, so that a stop could be put to the practice of forgery of that description. Mr. Clark then called

John Holmes, innkeeper, of Morecambe, who said: On the 20th of this month, the prisoner called at my house. She asked for a shilling's worth of brandy, and tendered a £5 Lancaster Bank note in payment. I did not like the appearance of the note, and would not take it.

Ruth Willacey, daughter of John Willacey, of the Fisherman's Arms, Morecambe, said: I assist at the bar, and remember the prisoner coming to the house about half-past five on Monday, the 20th inst. She asked for a shilling's worth of brandy. I supplied her with the brandy, and she tendered me a £5 note of

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the Lancaster Banking Company in payment. I received it, and gave it to my mother in the kitchen. I asked her if it was a good one, and she said it was. My mother went upstairs, and when she came down she said she had not sufficient change, and I took it to Robert Blacow's, and Mrs. Blacow gave me change for it, £4 in gold and 20s. in silver. I gave prisoner £4 19s. of the money. I am quite sure the prisoner is the woman.

Mrs. Willacy corroborated the evidence of last witness, and said she was sure prisoner was the woman who tendered the note.

Mrs. Elizabeth Blacow, wife of Robert Blacow, landlord of the New Inn, Morecambe, said: I remember Ruth Willacy coming to our house on the evening of the 20th instant. She brought with her—like the one produced—a £5 Lancaster Bank note, and asked for change. I took the note to my husband and he gave me the change, which I handed to Ruth Willacy.

Robert Blacow, husband of last witness, said: On the evening of the 20th inst. my wife gave me a £5 note of the Lancaster Banking Company similar to the one produced, and I gave her change for it. In consequence of entertaining some suspicion about the note I communicated with Superintendent Jervis that evening, and left the note I received from my wife with him.

Supt. Jervis said: About seven o'clock on the evening of the 20th instant, the last witness came to my office, and I received from him the note now produced, which professes to be a £5 Lancaster Bank note. I directed Police Sergeant Tomlinson to go to the Castle Station to look out for a woman charged with passing false notes. I told him if he secured her to fasten her hands at once, and not to loosen them till he got her to the office. In half an hour he brought prisoner to the station. I showed her the note produced, and told her she was charged with passing a counterfeit bank note to Mr. Blacow, of Morecambe. She said, "Yes I did, and there's nobody implicated in the matter but myself." I directed her to be searched by Mrs. Johnson, and I received these five counterfeit notes [produced.] They bear the same number, 24,796, as the one I received from the witness Blacow. They appear to have been photographed from the same negative.

Police Sergeant Tomlinson said: In consequence of directions I received I went to the Castle Station on the evening of the 20th inst., and there apprehended the prisoner. In consequence of directions I secured her hands and took her to the station at Skerton.

Mrs. Johnson said: I am the female searcher at Skerton. On the evening of the 20th I received the prisoner from Supt. Jervis, with directions to search her. I found upon her five counterfeit notes, which I handed to Mr. Jervis.

Mr. Edward Simpson, clerk at the Lancaster Bank, said: I am well acquainted with the notes of the Lancaster Banking Company, and the one produced is a counterfeit, and a very bad imitation. The other five notes are also all forged.

This concluded the evidence in the first case.

The prisoner having been formally cautioned, said: I am guilty of passing the notes, but I declare before God I am not guilty of making them; I don't understand such a thing at all.—Prisoner signed this statement "Alice Higgin."

Prisoner was committed for trial at the next Lancaster assizes on the above charge.

THE SECOND CHARGE AGAINST THE PRISONER.

The prisoner was then charged with feloniously and without lawful authority or excuse, having in her possession five forged notes purporting to be notes of the Lancaster Banking Company, carrying on the business of bankers, commonly called bank notes, knowing the same to be forged, contrary to the form of the statute in such case made and provided; and that she on the said 20th day of November, at the parish of Preston, in the said county, feloniously without lawful authority or excuse knowingly had in her custody certain materials, to wit, two pieces of glass upon which had been made respectively part of a certain promissory note of the said Lancaster Banking Company, carrying on the business of bankers, contrary to the form of the statute in such case made and provided.

Forgery of the Notes of the Lancaster Banking Company. 41

Mr. Jervis stated the facts of the case, and said he thought the evidence would make it clear that the prisoner had been engaged for some length of time not only in uttering, but in forging these notes. When he found the prisoner had been uttering forged notes, he sent Police Sergeant Tomlinson to Preston, and in a room in a house in Ratcliffe-street, he found a photographic apparatus and a negative from which the forged notes had been struck. Some paper was also found, which Mr. Ellis, photographer, would prove was precisely the same kind of paper as that of which the forged notes were made, and he would also be able to prove that the negative and apparatus were complete in every respect for the making of notes. On being charged, the prisoner said there was no one implicated but herself.—Mr. Jervis was then sworn and said: On the 20th inst., prisoner was brought to my office, and I handed her over to Mrs. Johnson to search. From her I received five notes, all of which were numbered 24,796, and purporting to be of the Lancaster Banking Company. The notes now produced are the same. She gave me her address No. 6, Ratcliffe-street, Preston, and to that place I sent Sergt. Tomlinson. The next morning I received from him the negative and photographic appliances now produced. I showed the notes and the negative to the prisoner and told her she was charged with having those counterfeits and negative and the photographic appliances in her possession. She said "Yes, I had them, and there is nobody implicated in the matter but myself."

Edward Simpson, a clerk in the Lancaster Banking Company, proved that the notes were forgeries.

Police Sergeant Tomlinson, stationed at Skerton, said: On Monday evening, the 20th inst., I searched two rooms in the house No. 6, Ratcliffe-street, Preston. In those rooms I found the photographic appliances together with the negative. I got three keys from prisoner, and one of them unlocked a bag in which I found the two negatives produced.

Police Sergeant Turner, of the County Police force, stationed at Preston, said: On Thursday, the 23rd inst., I searched the prisoner's lodgings at No. 6, Ratcliffe-street, Preston. In her room there I found the paper now produced.

Mr. Howitt (to prisoner): Do you wish to ask this witness any questions?

Prisoner: May I be allowed to look at that paper?

Mr. Howitt: Yes, certainly.

Prisoner then examined it, and throwing it down energetically on to the table, exclaimed, "Yes, it's my paper, but it was not got for that job."

Jane Stopford, of No. 6, Ratcliffe-street, Preston, said: The prisoner and her mother have been lodging with me for eight or nine weeks. I had no other lodgers. The prisoner engaged one bedroom, but I allowed her to put some boxes in an empty back bedroom. The police searched both rooms. I never saw the negative of the notes, the paper or the photographic appliances before they were found by the police. Prisoner's mother is a very old, infirm woman.

Frederick Ellis, photographer, of Lancaster, said: I have had considerable experience in photography, and have examined the camera, the negatives, and the five notes produced. To all appearances the notes have been made from the negative produced. The numbers are the same, and in every other particular they correspond with the negative. I have also examined the paper produced by Police Sergeant Turner, and it is similar in every particular to the paper of which the notes are made. The photographic appliances produced are complete for making notes similar to those produced. They have been taken in halves—both negatives and prints. To the best of my opinion some of the notes have been oiled or greased and worked upon with a little lampblack to give them the appearance they now present.

Prisoner was then formally cautioned, and in reply she said: "As I told you before, I did pass it, but I am not guilty of making them."

Prisoner was then committed to take her trial at the assizes on this charge also.

Mr. Jervis said since the prisoner had been taken into custody about half-a-dozen cases had cropped up of prisoner uttering forged notes.

Reports of Joint Stock Banks.

BANK OF NEW ZEALAND.

THE half-yearly general meeting of the proprietors of the above bank was held at the head office, Queen-street, Auckland, on the 20th October. There was a large attendance of shareholders. Dr. Campbell, the president of the bank, having taken the chair, called upon Mr. John Murray (who was acting for the inspector) to read the advertisement calling the meeting. The same gentleman then read the minutes of the last general meeting and special general meeting, held on the 21st April last. These were duly confirmed.—Mr. Murray then read the following report (the thirtieth) and balance-sheet:—

The directors have pleasure in presenting to shareholders another half-yearly report of the usual satisfactory character.

The net profit at 30th September, after making very full appropriations for all dependencies considered bad or doubtful, and for reduction of bank premises and furniture accounts, amounts to £54,300 19 3

To which has been added—

Premium on issue of 384 shares reserved as per last report for non-residents 1,920 0 0
Balance of undivided profit at the 31st March, 1876 6,848 10 8

Giving a total available for division of £63,077 9 11

The following appropriation of which is now recommended:—

To payment of dividend at the rate of 10 per cent. per annum .. £35,000 0 0
To bonus of 5s. per share, equal to 5 per cent. per annum .. 17,500 0 0
To interest reserved for Fiji Bank shareholders 1,942 10 0
To balance carried to profit and loss new account 8,634 19 11

£63,077 9 11

Aggregate Balance Sheet of the Bank of New Zealand, at September 30th, 1876, including London office, at July 31st, 1876.

Dr.

Bank Stock £700,000 0 0
Reserve fund 250,000 0 0
Notes in circulation 423,850 0 0
Bills payable in circulation 1,254,331 17 3
Deposits and other liabilities 5,006,050 15 11
Balance of profit and loss at March 31st, 1876 6,848 10 8
Net profit for half-year, £54,308. 19s. 3d.; premium on new shares, £1,920 56,228 19 3

£7,696,910 3 1

Cr.

Coin and cash balances £1,214,170 1 7
Bullion on hand and in transitu 316,686 4 3
Government securities 372,000 0 0
Landed property, bank premises, furniture, &c. 120,443 3 3
Bills receivable and securities in London 1,397,075 10 9
Bills discounted and other debts due to the bank 4,276,535 3 3

£7,696,910 3 1

PROFIT AND LOSS ACCOUNT.

Dr.

Dividend at the rate of 10 per cent. per annum	\$35,000 0 0
Bonus of 5s. per share	17,500 0 0
Interest reserved for Fiji Bank shareholders	1,942 10 0
Balance carried to profit and loss new account	8,634 19 11
	<u>\$63,077 9 11</u>

Cr.

Balance of profit and loss at September 30th, 1876	\$54,308 19 3
Premiums on new shares	1,920 0 0
Balance from last half-year	6,848 10 8
	<u>\$63,077 9 11</u>

RESERVE FUND.

Balance	\$250,000 0 0
Balance from last statement	<u>250,000 0 0</u>

The CHAIRMAN, in moving the adoption of the report, said: I have on the present occasion, in moving the adoption of the report which has just been read, only to record the continued prosperity of the bank—a fact borne out by the balance-sheet now laid before you. The figures exhibit a gratifying increase of business, and that the increase should be most marked in the bank's resources and its cash balances must be, at the present juncture especially, satisfactory to shareholders. Nothing of any importance, bearing on the interests of the bank has arisen during the past half-year. The demand for new agencies in the out-districts, proves the constantly increasing character of our business, along with the development of the colony. As was anticipated, our tender for the Government account was accepted, and now, having the whole of the Government business, enables us to transact it at rates which are favourable to the Government, as compared with some of the neighbouring colonies. The transfer of the Fiji Bank to this establishment has also been completed since the last meeting of shareholders. I then stated that your directors look to future benefit, and not to immediate results, and, although that colony has been suffering from commercial depression, consequent upon the transition state of its industries to new branches of production, your directors, nevertheless, remain satisfied that the bank's prospects there justify the policy of occupying the field. I beg to move the adoption of the report and balance-sheet.

Mr. C. J. STONE seconded the adoption of the report, and it was unanimously agreed to.

The CHAIRMAN then said that the next business before the meeting was the election of three directors to vacancies at the board, two caused by absence and rotation, and one by the death of Mr. W. C. Wilson, whose connexion with the bank dated from its foundation, and who for so many years was a valuable acquisition at the councils of the board. There were only three candidates. Messrs. Alfred Cox and James Watts, and the Hon. James Williamson, who would therefore become the new directors according to the deed of settlement, and fill the vacancies in the order of their names. It next devolved upon the meeting to elect two auditors, Mr. G. P. Pierce, in order of seniority, being ineligible.

Dr. Ellis moved and Mr. Prime seconded,—“That Messrs. A. K. Taylor and C. J. Stone, be auditors for the current year.” The motion was unanimously agreed to.

Mr. B. TONKS, M.H.R., moved—“That a hearty vote of thanks be given to the directors and officers of the bank.” Looking at the depressed state of business, not merely in Auckland, but, he might say, all over the world, and

the exceeding low price that is now ruling for money, a large amount of talent must have been displayed by the officers of the bank in order to enable them to place before the shareholders so satisfactory a report, and that, too, in the face of keen competition from the other banking establishments of New Zealand. He trusted that on that occasion the vote of thanks would not be passed as a mere formal matter, but as the hearty expression of the feeling of the shareholders.

Mr. T. HILL seconded the motion, and it was unanimously agreed to.

The CHAIRMAN returned thanks on behalf of the directors, and Mr. MURRAY on behalf of the officers of the bank; after which the meeting separated.

THE HIBERNIAN JOINT STOCK COMPANY.

FIFTY-SECOND report of the directors to the shareholders, for year ended 31st October, 1876. Submitted at the annual meeting held 4th December, 1876:—

The directors have much pleasure in presenting to the proprietors the annexed statement of accounts for the year ended 31st October, 1876. The general business of the bank, both at the head-office and city and country branches, shows a healthy increase. Since the last annual meeting five new branches have been opened, viz:—*Armagh, Enniskillen, Granard, Callan, and Strabane*; making up a total of thirty-five branches and thirteen sub-branches. The directors have every reason to be satisfied with the results obtained at your new branches. The profits for the year, as per profit and loss account, amount to £69,527. 15s. 8d. which, with the balance carried over from last account of £5,415. 13s. 3d., makes a total of £74,943. 8s. 11d. From this sum a dividend of £25,000 was paid in June last, leaving a balance now to be allocated of £49,943. 8s. 11d. It is proposed, with your sanction, to deal with this amount in the following manner, viz:—To declare a dividend of 30s. per share (free of income-tax), which is at the rate of 12 per cent. per annum, for the half-year ended the 31st October, 1876, amounting to £30,000, to add to your *Reserve Fund* the sum of £5,000 (which will then stand at £240,000); to *Bad and Doubtful Debt Fund* the sum of £5,500, and in reduction of the *Bank Premises* account, a sum of £4,000; carrying forward the balance, £5,443. 8s. 11d., to credit of next year's account. The outgoing directors are Messrs. Patrick Byrne Darcey and Walter Henry Rooney, who, being eligible, offer themselves for re-election.

Abstract of the affairs of the Company for year ended 31st October, 1876.

LIABILITIES.

Capital	£500,000	0	0
Reserve fund	235,000	0	0
Branches and agencies	49,630	1	5
Amount due on current and other accounts, and deposit receipts	2,019,817	5	1
Unappropriated balance from last year, £5,415. 13s. 3d.; profits for year ended 31st October, 1876, £69,527. 15s. 8d.; less dividend paid June, 1876, £25,000	49,943	8	11
	£2,854,390	15	5

Cr.

ASSETS.

Bills discounted	£1,408,186	8	1
Loans on Government Stock and other securities	996,739	1	3
Cash, Government Stock and debentures	349,345	17	8
Bank premises, head office, and branches	100,119	8	5
	£2,854,390	15	5

Royal Bank of Scotland.

45

<i>Dr.</i>		<i>Profit and Loss account.</i>	
Dividend paid June, 1876, £25,000; dividend to be paid			
December, 1876, £30,000	.. ..	£55,000	0 0
Amount appropriated to reserve fund	.. ..	5,000	0 0
" " to bad and doubtful debt	.. ..	5,500	0 0
" " to bank premises	.. ..	4,000	0 0
Balance to next account	.. ..	5,443	8 11
		<u>£74,943</u>	<u>8 11</u>
<i>Cr.</i>			
Balance from last account..	.. ..	£5,415	13 3
Profits for year ended 31st October, 1876	.. ..	69,527	15 8
		<u>£74,943</u>	<u>8 11</u>

THE ROYAL BANK OF SCOTLAND.

Report by the court of directors to the general court of proprietors, held at Edinburgh on 28th November, 1876:—

The directors now submit to the proprietors the annexed abstract statement of the affairs of the bank at the annual balance on 22nd September, 1876. The gross profits of the year, after deducting rebate of interest on bills current, and income tax, and providing for all bad and doubtful debts, amounted to £318,633. 19s. 7d.; the charges at head offices and 106 branch establishments, including salaries, directors' fees, pensions, rents and taxes, costs of circulation, and all expenses of management, were £119,329. 3s. 11d.; leaving net profits, £199,304. 15s. 8d., and the balance brought forward from last year was £31,354. 0s. 10d.; together, £230,658. 16s. 6d. The midsummer half-year's dividend required £95,000; and there has been written off on account of bank buildings, £3,977. 18s. 5d. = £98,977. 18s. 5d.; leaving for disposal £131,680. 18s. 1d. Out of which the directors recommend the payment, at Christmas, of a half-year's dividend at the rate of 9½ per cent. per annum, free of income tax, £95,000; leaving a balance to be carried forward of £36,680. 18s. 1d.

Abstract state of affairs as at 22nd September, 1876.

<i>Dr.</i>		<i>LIABILITIES.</i>	
1. To the public:—deposits, £10,804,786. 17s. 2d.; drafts payable within 14 days, £179,254. 18s. 4d.; acceptances, £509,376. 13s. 5d.; notes in circulation, £742,677	.. ..	£12,236,095	8 11
2. To the proprietors:—capital, £2,000,000; rest £500,000; half-year's dividend to Christmas, £95,000; balance of profit and loss, £36,680. 18s. 1d.	.. ..	2,631,680	18 1
		<u>£14,867,776</u>	<u>7 0</u>
<i>Cr.</i>		<i>ASSETS.</i>	
Bills discounted, cash accounts, and other advances..	.. ..	£10,486,578	7 7
Bank buildings, Edinburgh and branches	.. ..	186,969	18 1
London property, £79,812. 7s. 4d.; less mortgage, not redeemable till 1879, £50,000	.. ..	29,812	7 4
Gold and silver coin and notes of other banks	.. ..		
£741,737. 16s. 7d.; Government and Bank of England stocks, and cash with London bankers and at short notice £2,785,141. 3s.; other stock and securities, £537,536. 14s. 5d.	.. ..	4,164,415	14 0
		<u>£14,867,776</u>	<u>7 0</u>

**THE LAND MORTGAGE BANK OF INDIA
(CREDIT FONCIER INDIEN), LIMITED.**

REPORT presented to the extraordinary half-yearly general meeting of shareholders, held 7th December, 1876:—

"We now submit a summary of the bank's business during the current year and up to the 25th October, 1876, which, if read in connection with our last report, will convey an accurate impression of the bank's present position. 2. All financial requirements have been satisfactorily provided for. 3. The three loans aggregating £9,600, referred to in our last report, are the only new loans that have been granted during the year; they bear interest at 10 per cent., and are, to the best of our belief, amply secured. The bank was committed to the granting of these three loans and one other loan for £10,000 (not yet completed) prior to our definite resolve to discontinue our mortgage business. 4. Up to the 30th September last, our general loans current on the 1st January had been reduced in amount by £52,387, twelve of such loans, amounting to £37,657, having been fully discharged, and thirty-three other loans having been reduced by payments on account of principal to the extent of £14,730. In respect of three of the twelve closed loans we have realised an aggregate of £3,231 in excess of our estimated recoveries in our last balance sheet; and in respect of the remainder of such twelve loans we have recovered the full amounts of our estimates. 5. The bank's liability upon its current debentures now stands at £604,120, of which amount £86,600 is held by the bank on account of its reserve fund. Our debenture liability has been decreased since the 1st January, by payment of drawn and matured bonds, and purchases on account of our reserve fund, to the extent of £40,700, and it will be further decreased to the extent of £13,160 by payment on the 1st January next of bonds which have been drawn and bonds which will then mature, thus placing our then debenture liability to the public (after deducting the amount of debentures held by the bank) at £524,360. No fresh debenture has been issued, nor has any drawn or matured bond been renewed during the year. 6. During 1876 we have completed the re-sale at a trifling profit, of a house in Calcutta, which had been bought in on the bank's behalf for Rs. 19,000; but we regret to state that the continued depression of the Bombay market has precluded us from yet realising any of our assets in that Presidency, even at the extremely moderate values that we have now put upon them. A property at Bombay will shortly be put up for sale at auction, under a decree of the High Court in the bank's favour, and our latest advices lead us to hope that there will be fair competition for it, and an independent bid of such an amount as will closely approximate to our last estimate of its value. Measures are likewise in progress for again trying some of our Bombay assets at auction, the impression being that a demand for house property in Bombay after the monsoon might fairly be looked for. We are quite satisfied that our Bombay manager has done all that was possible to effect sales and to further negotiations, and these most important objects will continue to have his and our unremitting and energetic attention. 7. Our receipts on account of interest during the year and up to 25th October, have amounted to £26,908, of which £15,069 were received in respect of interest in arrears and accrued interest up to 31st December last, the balance of £11,839 having been collected on account of the interest due for the current year, and we estimate our further recoveries in respect of interest for the current year at about £24,700, and our surplus of rents from the bank's properties (exclusive of Satsyokia) for the year at about £2,500. If, therefore, these estimated recoveries are fully made, our realization in respect of interest for the current year and surplus rents from properties (exclusive of Satsyokia) will amount to upwards of £41,000. 8. The settlement operations in connection with the Satsyokia Putnee have continued to make progress, and receive our chief superintendent's best attention. The season's rice crop in the Burdwan district will be an unusually good one, and we look for large collections from our Ryots during the months of November, December and January. The remittances from the Putnee to our Calcutta office in respect of

rent during the year, and up to the 30th September, 1876, amounted to \$5,420, as against £2,329 during a like period of 1875; we therefore expect that our receipts for rent during the entire year will more than cover our full liability on that account. Our chief superintendent is deeply impressed with the importance of bringing the settlement operations to a conclusion as soon as practicable, and thereby placing the Putnee in such a position as will, in his opinion, make it saleable at a substantial price, or enable us to dispose of it in Dur-Putnee and other sub-tenures on satisfactory terms, and our hope is that he will be able to make such local arrangements as will admit of his proceeding personally to Burdwan, and there devoting some considerable time to these important objects; our conviction being that with his practical knowledge, and the long experience he has had in dealing with such matters, and his thorough acquaintance with the property itself, his personal attention cannot fail to ensure very valuable results. Full particulars of the assessments and enhancements effected during the year with the general results from the year's working, will be embodied in our annual report, it being impossible now to give these details with sufficient accuracy. 9. The average rate of interest that our uninvested funds in India have given us during the year has been just 5 per cent., and these funds now amount to £126,437. The prices of this season's teas in the Calcutta market have ruled much too high to admit of purchases on the bank's behalf as a safe or satisfactory medium of remittance, and the results from some such purchases that have come to our knowledge, have shown us that our having refrained from purchasing on the bank's account is matter for congratulation. 10. Tea: We have great pleasure in being able to state that the changes in the system of management, to which we adverted when we last met you, have already been productive of good results. Our staff in India have, on the whole, given substantial effect to our scheme and instructions, and to the carrying out of our wishes. Some time must necessarily elapse before the full effect of these alterations can be shown by results, but in the face of great difficulties (beyond the control of the management) much good work has undoubtedly been done. Mr. Watson's reports on the whole of our properties have now reached us, and have been most carefully considered. They have given us much practical information that was urgently needed, and the subsequent reports received from our deputy superintendent, Mr. Stewart, on our Assam, Sylhet and Cachar properties will be of much value to us in dealing with the future. Mr. Stewart has gone carefully over the above properties, and examined into all details of working with much attention, and his intelligent reports lead us to hope for much good from our recent changes in supervision. The whole of these reports may be inspected at the bank, by any shareholder who may desire to see them. Darjeeling: We are able to report that in this province the factories have been handled by the divisional managers, Messrs. Johnston and Mandelli, in an able manner. The shortfall in crop has been in no way owing to any want of attention on their part, but entirely to the unfavourable weather which prevailed during the earlier part of the season, and which has so greatly affected those good results from an improved system of pruning and cultivation, which we confidently looked for. Owing to the unfavourable weather before adverted to, and to an outbreak of cholera which prevailed, more or less, throughout the district (and which of necessity affected the supply of labour), we have for some time seen that it would be impossible to realize the season's estimates, and we fear that the deficiency will probably amount to about 900 maunds, or 72,000 lbs. of tea. It is satisfactory, however, to find that the teas received and sold up to date have shown so much more care in manufacture, that they have realized an average price of fully 7d. per lb. in excess of the average price of last year's yield. Assam: In this province much has already been done by our divisional manager, Mr. Davidson, to restore the cultivation to order, but another season is needed to show the full results. The whole of the factories (except Lattakoojan) were in an unsatisfactory condition, and the earlier teas of the present season were in consequence not what they should have been. The health of the European and native staff in this division has not been satisfactory, and this doubtless has, in some measure, interfered with manufacture. The estimated quantity of tea will not be shipped, and the deficiency will probably be about 160

maunds. The prices, however, of the season's yield have hitherto shown a satisfactory average. Sylhet: Our estates in this district will make more than their estimates, probably by 100 maunds, but we regret to say that the high average price of last year will not be maintained. The factories, however, have on the whole been well handled by our divisional manager, Mr. Peters. Cachar: This division has been well managed by our divisional manager, Mr. Rothenbusch, throughout the season and is now in better order. In Jalingah, however, blight unfortunately continues to affect the bulk of the plants, and to diminish out-turn. We have but little doubt that the average price of the teas from this division will be maintained, but we anticipate that the yield will fall short of the estimate by about 350 maunds. Manufacture: Up to our latest advices the gross yield in manufactured teas during 1876 had reached 8,176 maunds, or 654,080 lbs. (as against 710,880 lbs. to about the same dates in last year), and a further quantity of 56,000 lbs. may be expected. Up to the present date we have sold 302,640 lbs. of these teas in London, at prices which give an average of 2s. per lb. within a fraction, and our hope is that this satisfactory average will be maintained. Extensions: In the Darjeeling division we do not at present propose to extend, except on a small scale, so much work of restoration and improvement being still needed, and the labour staff having been severely affected by sickness. In Assam also little can be done in the way of extension during the coming season, but in the following year we hope to extend largely. In Sylhet some extensions are proposed during the ensuing season, and in Cachar we have given orders for very large extensions at Salgunga. 11. We consider that during the year there has been some material improvement in the bank's position, and that the general result of the year's operations will be fairly satisfactory."

LONDON AND RIVER PLATE BANK, LIMITED.

REPORT to the shareholders at the fourteenth annual general meeting, held at London, the 18th December, 1876:—

In presenting the fourteenth annual report of the affairs of the company, the directors regret to have to refer to the very serious drawbacks which have attended the operations of the bank during the past year. At the request of the board, in response to the urgent wish of the management in Buenos Ayres, the chairman undertook to visit personally the branches, whence he has quite recently returned. Buenos Ayres.—The financial crisis which has for so long prevailed in this province of the Argentine Republic continuing to increase, the Government in May last decreed forced currency for the notes of the Provincial Bank, which was followed by further issues of paper money, occasioning serious loss by its depreciation to all foreign capital. This has necessitated an appeal to the reserve fund of the company, as shown by the accounts. Rosario.—The arbitrary proceedings of the Government of Santa Fé, evidenced by their seizure of moneys, and their decree of forced liquidation of our branch in this town, have imposed heavy loss on the bank, necessitating also an appeal to the reserve fund. The unjustifiable conduct of the Government has been brought by the board before the Foreign Office. Up to the present our operations at this branch have not been resumed, for, although the moneys seized were, after some lapse of time, returned, and the decree of liquidation repealed, the Government has not recognised the validity of our charter, nor accorded to us the rights that charter confers. Monte Video.—The directors are gratified to be able to confirm the marked gradual improvement in the commercial and financial interests of the Oriental Republic. Credit, which before was much restricted, is now being extended, and the board hopes that the operations at this branch will soon become more important. Reserve fund.—The sum of £83,500 has been set aside from this fund, and carried to a depreciation account, to meet the losses above referred to, leaving £101,500 as the existing balance. Accounts.—The great depression of trade, and consequent distrust, caused by the late occurrences in Buenos Ayres

and Rosario, have occasioned much difficulty in the employment of funds, which has led to a large accumulation of cash reserves, and prejudiced the operations of the second half of the year. After making full provision for bad and doubtful debts, and deducting £24,000, being the amount absorbed by the dividend of 4 per cent. for the half-year paid in June, the profits do not admit of any further distribution. A balance of £589. 11s. 9d. is carried forward to "profit and loss new account." A careful examination of the accompanying balance-sheet will enable shareholders to convince themselves of the strong position of the bank, notwithstanding the many untoward circumstances of the past year. The directors who retire by rotation on this occasion are Messrs. Zimmermann, Elin, and Howden, who, being eligible, offer themselves for re-election.

Balance-sheet, made up to the 30th September, 1876.

CAPITAL AND LIABILITIES.

Dr.

Capital called up to date	£600,000	0	0
Reserve fund, as per last account, £185,000; less transferred to depreciation account, £83,500	101,500	0	0
Depreciation account—For amount transferred from reserve fund against contingent loss on capital by decree of forced currency and depreciation in value of stocks, also by decree of Santa Fé Government ordering forced liquidation of Rosario branch	83,500	0	0
Bills payable at head office and branches	327,661	1	8
Notes in circulation at branches	210,662	2	9
Deposits and amounts due on current accounts, &c.	2,300,354	14	5
Rebate of interest on bills discounted, not due 30th September, 1876	9,783	15	4
Profit and loss account—Balance from last year, £4,128. 6s.; net profit for year ending 30th September, 1876, £20,461. 5s. 9d.	24,589	11	9
	<u>£3,658,051</u>	<u>5</u>	<u>11</u>

Cr.

PROPERTY AND ASSETS.

Cash on hand at branches, at bankers, and on deposit.. ..	£1,561,570	11	1
Local bills discounted, bills receivable, current accounts, and other securities	2,016,035	14	6
Premises in Calle Piedad, Buenos Ayres, £21,987. 13s. 6d.; Calle del Cerrito, Monte Video, £20,507. 9s.; Calle Puerto, Rosario, £6,187. 10s.	48,682	12	6
Bank furniture account, £8,624. 17s. 7d.; less amount written off for depreciation, £862. 9s. 9d.	7,762	7	10
Interim dividend declared in June, 1876, at 4 per cent.	24,000	0	0
	<u>£3,658,051</u>	<u>5</u>	<u>11</u>

Profit and Loss Account of the London Office and Branches, 30th September, 1876.

Dr.

September 30, 1876—Charges, including rent and taxes, salaries, directors' remuneration, income tax, and all other expenses at London office and branches for 12 months	£46,648	15	11
Expense of Mr. Drabble's visit to the River Plate	2,500	0	0
Amount written off bank furniture account for depreciation	862	9	9
Leaving balance as above	£7,762	7	10
Interim dividend at 4 per cent. paid 26th June, 1876	24,000	0	0
Balance carried forward to new account.. .. .	589	11	9
	<u>£74,600</u>	<u>17</u>	<u>5</u>

<i>Cr.</i>			
October 1, 1876—Balance from last account		£4,128	6 0
September 30, 1876—Gross profit for year, after making provision for bad and doubtful debts		70,472	11 5
		£74,600	17 5
October 1, 1876—Balance brought forward		£589	11 9

Communications.

SUFFICIENT ENDORSEMENT.

To the Editor of the "Bankers' Magazine."

SIR,—Would you consider documents endorsed "Metropolitan Banking Co.," the writing being by one of the partners, sufficiently discharged? An answer in next number will oblige.

JOHN COWAN.

Glasgow, 13 Dec., 1876.

[We should require the name to be appended thereto.—ED. B. M.]

BANK CLERKS UNDERTAKING.

SIR,—Will you be good enough to state in your next issue whether it is the general practice with banks to require from their officials an undertaking not to enter the service of any other competing bank within a certain number of miles, for a term of years after leaving such bank?—Yours faithfully,

ENQUIRER.

Hednesford, Staff., 14 Dec., 1876.

[Such is not the practice within our experience.—ED. B. M.]

LEGAL LIABILITY OF AN INDORSEE.

SIR—I shall feel obliged by your replying to the following queries in your next issue.

"A cheque on London is presented at a country bank by a stranger payable to his order, which the Bank naturally refuse to cash; but he is told that if he can get some respectable tradesman in the town to endorse it, they will cash it for him. He succeeds in getting such endorsement, receives the cash and disposes of it in a few hours. The question is, if this cheque is returned dishonored from the London Bank, can the country bank which cashed it sue this tradesman for the full amount, without first having done all in their power to recover the same from the drawer and payee, or can he not get off by paying one-third the amount, since the other parties are able to pay their share?"

Yours obediently,

BANK ACCOUNTANT.

[You have a very queer notion of the law on the subject. You can sue any one of them, or all three together, for the full amount.—ED. (Law Dept.) B. M.]

RENEWAL GUARANTEES.

SIR—I shall feel obliged by your reply to the following in your next issue:—

1. It is customary with most banks to obtain renewals of guarantees every six years. Is this really necessary, and would a guarantor be successful in pleading the statute of limitation in an action upon a guarantee dated more than six years previously?

2. A. B. presents a cheque on another branch of my bank, for which I give him cash over the counter. Such cheque is returned “no effects.” Can I enforce repayment of the amount from A. B.? I am given to understand that a County Court Judge, not long since, ruled that such an encashment was an actual “payment” of the cheque. Are not branches of the same bank in transactions of this nature however, virtually in the position of independent banks, and may they not “cash” cheques on each other for responsible persons with perfect safety?

Yours faithfully,
P. W.

(1.) [You can have no better rights or remedies against a surety than you have against his principal. The statute of limitation applies to both cases. Yes, the statute could be successfully pleaded in such a case. (2.) We suppose there is no ground for criminal proceedings in obtaining money by false pretences? Many different points are involved in your second query, but in case your bank sued such a person for a balance on his banking account with you, really in effect dealing with the amount of the cheque, you would of course recover. We do not consider that branches of one bank are in such a case in the position of separate and independent banks. The latter part of your second query is not intelligible.—ED. (Law Dept.) B. M.]

COUNTRY BANK NOTES NOT PAYABLE IN LONDON.

London, 14th December, 1876.

DEAR SIR—I am obliged to Mr. Lawson Brown for pointing out the error in the letter you did me the favour to publish in your November number, implying that none of the Chesterfield Bank Notes possessed the privilege of being payable in London. When referring to that town, I had but one institution in my mind—the Chesterfield and North Derbyshire—and the mistake was induced by the circumstance of their notes not specifying that they were so payable, and because it was they who were in the habit of returning Bank of England Notes through the post, unprotected, in exchange for those of their own issue sent them for payment—a practice, I believe, they still adopt.

It is to be hoped that the hint which has been given that *all* notes payable in London should be so stamped on their face, will be acted upon as soon as practicable. If this improvement alone should be generally effected, the discussion of the subject in your columns will by no means have been in vain.

YOUR CONSTANT READER.

P.S.—The list in the useful publication to which Mr. Brown refers will, I am happy to say, have to be reduced to half its present length to be quite accurate.

COUNTRY BANK NOTES NOT PAYABLE IN LONDON.

DEAR SIR,—I am very pleased to see, from a paragraph in your Magazine for this month, that Messrs. Barclay, Bevan & Co. have taken steps to pay the country notes of the banks of which they are agents, and, though I ventured to point out to your "Constant Reader" where such a list of banks was to be found, I think it will not be out of place for me to copy the list, excluding those for which Messrs. Barclay & Co. are agents, and at the same time hoping that the few remaining banks will thus take the matter up, and give orders for their London agents to pay their notes. I am sure they cannot be aware what an inconvenience they give their brother bankers in disposing of their notes. The Bank of Westmoreland is the first, with an issue of £12,225. They keep out, on an average, about 88 per cent. of their issue, and their notes travel all over England. The second bank is the Bradford Commercial Banking Company, who keep about 99 per cent. of their issue out. The third is Messrs. Pease, Hoare and Pease, of Hull and Beverley, whose notes circulate largely in the county from which I date my letter; they keep out about 98 per cent. of their issue. The fourth is the Carlisle and Cumberland Banking Company, who keep 96 per cent. of their issue out. The fifth is the Halifax Commercial Banking Company, who keep about 92 per cent. of their issue out. The sixth is the Halifax Joint Stock Banking Company, who have out about 96 per cent. of their issue. Both of these banks keep their returns well up for a manufacturing centre. The seventh, Messrs. Vivian & Co.; and eighth, the Helston Banking Company, who keep regularly 99 per cent. of their issue out. These figures I have calculated from the returns in your Magazine, taking the average for the month. The ninth are Messrs. Wakefield, Crewdson & Co., who appear to keep about 95 per cent. of their issue out. The tenth, the Swaledale and Wensleydale Bank, who have a large issue in an agricultural district, where people are presumed to retain their notes by them longer than in a manufacturing one; they appear to keep out 95 per cent. of their issue. The eleventh, the Wakefield and Barnsley Union Bank, who have a small issue in a colliery district, with about 96 per cent. of their issue out. The twelfth, the Whitehaven Joint Stock Banking Company. The same remarks apply to this as to the Carlisle and Cumberland Bank. The thirteenth, the York Union Bank, who have a good issue in Yorkshire, with 99 per cent. regularly out. The fourteenth, the Yorkshire Banking Company, with 96 per cent. of their issue out. Lastly, the West Riding Union Bank, who keep 97 per cent. of their issue out. I quite agree with your correspondent, a "Branch Manager," as to the inconvenience of not having the London agents on the left-hand corner of the cheque. I know from experience that this gives clerks in banking establishments a large amount of extra labour in looking out the agents.

Your obedient servant,
G. W. LAWSON BROWN.

ENDORSEMENT OF CHEQUES.

A banker endorses a cheque for a client (say a railway company), but does not sign it officially or otherwise, nor yet affix official bank stamp on back of cheque; thus: per pro. B—Railway Co., S—Banking Co., London.

Query 1. Would the bank on whom the cheque is drawn be safe in paying

such an endorsement?—2. If not a proper endorsement, would a cheque thus paid be at the risk of the bank, or the drawer of the cheque?

Taunton, 18th December, 1876.

Y.

[Your query is not quite clear, but assuming the construction we put on it to be correct, we consider that the bank ought *not* to pay on such an endorsement. The risk is, of course, the bank's.—ED. (Law Department) B. M.]

STAMP ON INDEMNITY.

SIR,—Will you have the kindness to reply to the following enquiry:—

A Banker's deposit receipt having been by accident destroyed, a duplicate is given on the depositor signing a simple but sufficient form of indemnity. Query: Does the indemnity require any stamp?

As I am too late to receive a reply in the forthcoming number of the Magazine, might I trouble you to answer me by post; by so doing you will confer a favour on

Your obedient Servant, A SUBSCRIBER.

[Yes, where the matter or value thereof is £5 or upwards.—ED. (Law Dept.) B. M.]

INDORSEMENT ON CHEQUE.

Would your Law Editor kindly inform me whether a Cheque payable to "Smith & Sons," and indorsed "James Smith & Sons," is a valid document.

Yours truly, A CASHIER.

[A banker refusing to pay up on such an indorsement would lay himself open to an action at the suit of his customer, if in funds to pay the Cheque at the time.—ED. (Law Dept.) B. M.]

DEPOSIT OF SECURITIES WITH MEMORANDUM OF CHARGE THEREON.

I should be obliged if in your next number you would refer me to an authority, showing that the mere fact of a banker holding deeds with a memorandum of deposit for a certain amount, does not deprive him of his lien on such deeds, for a sum over and above the amount named in such memorandum.

Exeter, 5 December, 1876.

R. S.

[We cannot refer you to a case affirming such a well known principle of law.—ED. (Law Dept.) B. M.]

DISHONOUR OF BILL OF EXCHANGE PAYABLE AT BANKERS. CUSTOM AS TO BANKER KEEPING THIS FOR ONE DAY.

A bill of exchange, payable at a bank, is duly received by that bank for collection in the usual way from another bank. Is it lawful for the bank first named, in case the bill is not taken up by the acceptor on the due date, to hold the bill until the following day without any reference to purposes of noting? And if the bank holds the bill thus, what risk is run?

I understand that bills are commonly held a day in this manner in some towns of the North of England. My question, however, is meant chiefly for England generally.

[Such a custom does no doubt prevail in certain parts of England and Wales, but we cannot believe it is a custom which would be upheld by the courts, because a day's delay might result in loss to the holder of the cheque and might prejudicially affect the interests of intermediate parties. A bill payable at a bank should be dealt with as though payable at the office of an individual.—Ed. B. M.]

MUTILATED CHEQUE. LIABILITY TO PAY.

SIR,—I observe in your answer to J. W. B. in the December magazine, you state that "the mere fact that a cheque presents the appearance of having been cut in halves, when presented whole at the bank . . . is not sufficient to warrant the banker, on whom the cheque is drawn, in refusing to honor it." Will you please say if a cheque must be cut in three pieces, or to what extent a cheque must be mutilated to justify a banker refusing to pay it if presented when joined together again? I beg to differ with the opinion you give. I think that if a mutilated cheque be presented for payment without any memorandum on it or attached to it, that it was accidentally cut or torn by some person through whose hands it passed, the drawee has a right to assume that the mutilation was intended to destroy the cheque, and if a correct answer be given I do not see how he would be liable to an action for such a refusal to pay.

Yours faithfully,

J. G.

[We know of no case in point, but when a man intends to so deface or mutilate a cheque as that it shall not be paid, he does not usually merely cut it in halves. Our opinion is unaltered, speaking generally, but other surrounding facts might warrant the banker in refusing to honor that cheque.—Ed. B. M.]

CHEQUES—STAMP DUTY THEREON.

SIR,—Will you be good enough to favour us with your opinion as to whether co-operative societies are exempt from stamp duty, and whether it is legal for them to issue unstamped cheques?

Your obedient servants,

C. & L.

[(1). How can a co-operative society be either free from, or subject to, stamp duty? Your question appears to have no meaning. (2). Co-operative societies enjoy no special exemption from the operation of the Stamp Act, 1870, as to stamps of cheques drawn by them on their bankers.—Ed. (Law Department) B.M.]

DISCONTINUANCE OF ALLOWING INTEREST ON CURRENT ACCOUNTS.

The following are copies of letters which have been forwarded to the customers of the London and County Bank and the Union Bank of London respectively, showing that the movement for discontinuing interest on the balances of current accounts is extending :—

"London and County Bank, 21, Lombard-street, London, E.C.,

"Dec. 15, 1876.

"Dear Sirs,—I am desired by my directors to inform you that after the 31st inst. the allowance of interest on the balance of current accounts at

this office will be discontinued, thus bringing our practice into unison with that of the majority of the large joint-stock banks in London. On sums placed upon deposit account (subject to seven days' notice of withdrawal) interest will be paid as heretofore.—I remain, dear Sirs, yours faithfully,

“W. HOWARD, Manager.”

“Union Bank of London, Princes-street, Dec. 18, 1876.

“Dear Sir,—I am desired by the directors to inform you that this bank will cease to allow interest on balances of current accounts from and after the 31st January next. The existing rules as to rates of interest allowed for amounts placed on deposits will remain unaltered.—I am, dear sir, yours truly,

“G. H. MILFORD, General Manager.”

CASH ORDERS FOR COLLECTION.

The Sheffield bankers have for some time past had their attention directed to the great increase in the number of orders on demand remitted to them for collection, drawn upon tradesmen. This system of remittance constitutes bankers mere debt collectors. In the larger towns it incurs a great deal of expensive portorage, in addition to considerable and obvious risks. The Sheffield banks have therefore unitedly come to the conclusion to decline receiving such orders from their customers, except under very special circumstances, and to make an extra charge upon all tradesmen's orders which may be remitted to them for collection by bankers in other towns. A minimum charge of 1s. will be made upon each order, in addition to the usual commission. Extra portorage will be charged on those payable in suburban districts. They hope by this arrangement to do away with, or to check, the circulation of such orders.

Sheffield, December, 1876.

BANKING AMALGAMATION.

An agreement has been arrived at between the Directors of the Hampshire Banking Company and the Directors of the North Wilts Banking Company, whereby these two old established banks will be amalgamated at the close of the current year, and the joint businesses be carried on thereafter under the title of the “Hampshire and North Wilts Banking Company.” The agreement further provides that the subscribed capital of the amalgamated company shall be £1,500,000, the paid-up capital £300,000, and the reserve £150,000; and that all bad and doubtful debts on both sides shall be totally eliminated or provided for by special reserves of very ample dimensions. The head office of the amalgamated company will be at the Hampshire Bank building, in Threadneedle-street, London. We hope to be able to give further details as to the arrangements respecting the amalgamation of these important Banks in a future number.

Notes of the Month.

The Directors of the National Provincial Bank of England have declared a half-yearly dividend at the rate of 8 per cent. per annum, and a half-yearly bonus of 6 per cent., being together at the rate of 20 per cent. per annum.

A telegram from Melbourne states that at the general meeting of the National Bank of Australasia, a dividend was declared for the half-year ended 30th September, at the rate of 10 per cent. per annum, and a bonus of 2 per cent. per annum. £10,000 was written off bank premises account, and £7,000 carried forward.

The Directors of the Central Bank for Land Mortgage Bonds of Russia have issued a notice to remind shareholders that a call of 50 roubles per share falls due on the 31st inst.

The total production of silver in the United States for the year 1876 will amount to about 24,000,000 oz. of fine silver, valued, at \$1 15c. per oz. the price of the day, at \$27,600,000 in gold, and there is no reasonable expectation of increase for the future from all known sources, while the continuance of the present supply is, to say the least, problematical. The redemption of the fractional currency will require \$20,000,000 more, and if coinage is commenced for resumption on January 1, 1879, on the single gold standard, there will be needed at least \$75,000,000 of subsidiary silver coin; and if the double standard be adopted, involving full-valued silver coin, or the single silver standard be adopted with gold as subsidiary, it is difficult to say to what price silver may rise. — *Times*.

The Directors of the Merchants' Bank of Canada, Montreal, have declared a dividend of 3½ per cent. for the past half-year, being at the rate of 7 per cent. per annum.

An impudent attempt at fraud, of which a branch of one of the leading City banks was nearly made the victim, occurred recently. A person styling himself "Herbert Darrell," of gentlemanly address and plausible manner, introduced himself to the manager with the object of opening a current account. Two draughts for a considerable amount upon a well-known Paris bank were left to be collected and placed to his credit. A check-book was asked for, and likewise the favour of being allowed to draw in anticipation some £25. The very necessary formality of a regular introduction not having been observed, however, it was thought prudent to decline both requests pending the presentation of the draughts, which turned out to be forgeries.

Fundholders of the Italian Government may not be aware that in case of loss by fire or otherwise of their titles of rente, that Government refuses to give duplicates of the scrip, or to indemnify the owners in any way for their loss. This rule is rigorously observed not only for private individuals, but even for foreign Governments which may become possessors of titles of rente. A French lady, who died in 1870, having left no heirs, a part of her fortune, which had not been settled, reverted to the State. The estate consisted of French and Italian rente, railway bonds, &c., all of which were deposited, pending the distribution with the co-heir, at the Ministry of Finance in Paris, but were destroyed in the burning of that Ministry during the Commune. A division of the property was afterwards made, and the Italian rente was comprised in the share of the State. New titles were obtained for the French rente and railway bonds, but the Italian Government refused to give duplicates for the titles of its rente. The French domaine then claimed to make the co-heir bear a part of the loss, but the tribunal before which the suit has just been heard, decided that as the division had been accepted and ratified, the State must abide by the consequences. — *Economist*.

It is understood that at the election of Governors of the Bank of England, to be held in April next, Mr. Edward Howley Palmer, the present Deputy-Governor, will be proposed as Governor for the ensuing term, and Mr. John William Birch, of the firm of Mildred, Goyenecche and Co., for many years a Director of the Bank, as Deputy-Governor.

The Bala Banking Company (Limited), established in Merionethshire in 1864, with a paid-up capital of £9,015, and a reserve fund of £6,000, has suspended payment.

MONTHLY CHRONOLOGY.

Nov. 28.—Mr. Goschen addressed a crowded and enthusiastic meeting of Egyptian bondholders in the Cannon-street Hotel, and in a long and very interesting speech gave an account of what he and his colleague, M. Joubert, had done in Egypt in their behalf.

Dec. 7.—Senor Salaverria has been appointed Director of the Bank of Spain in the room of Senor Cantero, deceased.

7.—Mr. Vivian, the British Diplomatic Agent, has notified to the Khedive of Egypt, that the English Government is unable to appoint the English Controller-General.

8.—The Chamber of Deputies at Bucharest voted the grant of 1,045,000 lei (£41,800), asked for by the Government to defray the expenses for the maintenance of the concentrated Roumanian Army until the end of this year.

8.—At the Brooklyn theatre the total number missing since the fire is 370, the number of bodies identified, 178. The bodies of several of the missing have not been recovered, but many bodies are unrecognisable.

8.—The National Conference on the Eastern Question was held at London.

11.—In to-day's sitting of the Chamber of Deputies at Vienna, Herr von Chlumecky, the Minister of Commerce, presented the Convention recently signed by Count Andrassy and Sir A. Buchanan, the British Ambassador, prolonging the expiring Commercial Treaty with England to the end of 1877.

11.—The first meeting of the Plenipotentiaries to the Conference at Constantinople was held at the Russian Embassy, General Ignatieff being the *doyen* of the Corps Diplomatique.

18.—In to-day's sitting of the Chamber of Deputies at Athens, the bill authorising a loan of 10,000,000 drachmas for extraordinary measures of military organisation was adopted.

18.—The immediate payment of the Egyptian overdue coupons of the short loans has been ordered.

23.—In consequence of the surrender of the prisoner Brett by England, Mr. Fish, the Secretary of State, has notified Sir E. Thornton, the British Minister at Washington, that President Grant will resume giving effect to the Extradition Treaty between England and the United States.

24.—Mr. G. W. Romaine (late of the Admiralty, Whitehall) has been appointed English Comptroller-General under the arrangements of Mr. Goschen and M. Joubert's plan.

TENDERS FOR BILLS ON INDIA.

The tenders for £350,000 in bills on India were received 29th November at the Bank of England. The amounts allotted were:—To Calcutta, £193,000, average rate 1s. 9⁵/₄d.; to Bombay, £150,000, average rate 1s. 9¹²/₄d.; and to Madras, £7,000, average rate 1s. 9¹²/₄d. Tenders on Calcutta and Madras for bills at 1s. 9¹/₄d. will receive about 14 per cent., above in full; on Bombay, at 1s. 9¹/₄d. for bills, about 20 per cent.

The tenders for £350,000 in bills on India were received 6th December at the Bank of England. The amounts allotted were: To Calcutta, £197,000, average rate 1s. 9⁵/₄d.; to Bombay, £150,000, average rate 1s. 9⁵/₄d.; and to Madras, £3,000, average rate 1s. 9⁵⁶/₂d. Tenders on Calcutta and Madras, at 1s. 9⁹/₁₆d. for telegrams and 1s. 9¹/₄d. for bills, will receive about 49 per cent.; on Bombay, at 1s. 9¹/₄d. for bills, about 42 per cent.

The tenders for £350,000 in bills and telegraphic transfers on India were received 13th December at the Bank of England. The amounts allotted were —to Calcutta, £268,100, average rate 1s. 10⁵³/₄d.; to Bombay, £61,900, average rate 1s. 10⁴¹/₄d.; and to Madras, £20,000, average rate 1s. 10³⁷/₅d. Tenders on all Presidencies (for telegrams) at 1s. 10³/₄d. will receive about 95 per cent. for bills at that price, and all above that price in full.

MERCANTILE EMBARRASMENTS.

A petition has been presented to the High Court of Justice to wind up an institution called "The Commercial Bank," which will be heard on the 16th

Dec., by Sir C. Hall. This company was an offshoot of the City and County Bank, which failed some time since.

It is reported that the St. Petersburg banking firm of Baimakoff has failed. The uncovered deficit is stated at a million roubles.

OBITUARY.

YEAMAN.—November 28th, at Rosehill, near Dundee, Mr. A. Yeaman, formerly of the Union Bank of London and of the Royal Bank of Scotland, Edinburgh.

Monetary Review.

Up to the time at which we write in the month of December, the money market has been almost without feature, the fluctuations having been of such a slight character as to be scarcely worth remarking upon here. The indication of increased demand for money, which at one time appeared to exist, and led to expectations of an upward turn in the rates, resulted in little more than a flutter of motion in Lombard Street, though the gain of a fractional increase on short loans has not been since lost. Gold continued to flow out of the Bank of England, the stores of precious metal had been largely drawn upon and were still decreasing, a state of things which under ordinary conditions of trade and finance would have been sufficient to cause excitement, if not apprehension, as to the effect upon the Bank's reserve, and the ultimate results which might be expected to take place from its continued diminution, for not only was this diminution proceeding at a considerable rate, but simultaneously the ordinary flow of gold hither from the usual sources of supply seemed to be cut off, and very little of it could be reckoned upon as likely soon to come to hand; this feature appears to be an outcome of the long continuance of cheap money in London, and is almost suggestive of a new application of the adage regarding *sending coals to Newcastle*. Though supplies from abroad have ceased to find their way to this market, there has been returned to the Bank a moderate quantity which had been taken hence for home purposes, which, combined with the notes returned from circulation, has helped to stay the reduction of the Bank reserve.

Elements of uncertainty still exist as to the ultimate extent of the drain of gold which is taking place; it is not known what amount the German government may require, whilst the state of the exchanges with America are calculated to favour a continued efflux thither; political excitement and the extensive disturbance in the coal trade connected with the railways, seem to have checked the incipient symptoms of reviving commerce in the States, so that instead of becoming debtors to foreign countries by increased imports, they are likely to retain the international balance in their favour.

The Stock Exchange movements have been influenced largely this month by the varying phases of political prospects. The outspoken statement of Prince Bismarck to the German parliament, with regard to German policy in the Eastern Question, produced at first a favourable impression upon the Stock markets, though his

avowal that he considered war between Russia and Turkey probable, was not passed over without its due influence on the alarmist side of the question. A good effect was also produced by the satisfactory reports of Lord Salisbury's meetings at Constantinople; thus, though the markets have been subject to fluctuations, yet, upon the whole, a quieter tone has prevailed, and more disposition to take a calmer view of things has been manifested. Speculative sales have been less active, and the coming Christmas holidays check the disposition to enter into fresh engagements.

The market for English Government Securities has not been subject to much fluctuation, though it is naturally susceptible of impression from the character of political events; upon balance consols show fractional improvement thus far. The Foreign Stock market has, on the other hand, been the scene of many fluctuations—Russian, Austrian and Hungarian having been affected by political considerations, whilst Egyptian and Argentine have been worked upon by special causes. A heavy fall occurred in Argentine stocks upon the receipt of news of a revolution having broken out in Entre Rios, but further intelligence of an assuring character led to a recovery in these stocks. Egyptian Stocks, the rise upon which, under the auspices of Mr. Goschen's scheme, had been already discounted, have since manifested a drooping tendency under considerations as to the probability of the carrying out of its provisions. The Khedive loan has been subject to a considerable fall on account of the inadequacy of the security afforded by the Daira revenue.

The feature in the English Railway market has been the promulgation of a proposed scheme for working amalgamation between the South Eastern and the London Chatham and Dover Companies, the advantages to those companies arising from such a fusion must be patent to observation, and are sufficient to account for the marked rise in their stocks, which resulted from the announcement, otherwise railway stocks continue to show improvement upon the whole. In Joint Stock Bank shares there has been a fall in London and River Plate and Anglo-Egyptian Bank, whilst, generally, otherwise, the fluctuations have not been important.

As the close of the year approaches, a little extra demand for money has become manifest, and rather better rates are obtained, whilst the stock markets remain dull and inanimate.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to **the Proprietors, Waterlow & Sons Limited, 25, Great Winchester Street, London,** who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1876.	£	£	%	£	£	£
Mich. 1	26,538,465	22,285,030	84	13,888,752	20,979,757	9,296,318
8	26,389,345	22,409,570	85	13,853,215	21,429,203	10,566,843
15	26,333,550	22,946,795	87	13,853,215	21,805,854	10,012,167
22	26,177,710	23,719,415	91	13,853,215	19,940,385	9,089,332
29	26,821,075	24,066,775	90	14,357,605	19,853,620	9,803,159
April 5	27,478,700	24,465,100	89	14,555,311	18,702,842	7,614,937
12	27,722,805	24,620,870	89	14,545,365	17,882,997	4,830,451
19	27,456,570	25,042,890	91	14,545,365	17,688,330	4,963,800
26	27,458,660	25,311,825	92	14,545,365	17,696,624	5,595,377
May 3	28,219,790	25,487,495	90	14,545,365	17,813,219	5,903,334
10	27,963,835	25,500,255	91	14,545,365	17,974,474	7,660,311
17	27,902,939	25,771,835	92	14,545,365	17,223,912	7,174,782
24	27,382,790	26,240,480	96	14,545,365	16,960,746	7,638,307
31	27,784,470	26,531,105	95	14,575,861	17,077,554	7,755,817
June 7	27,780,010	26,790,095	96	14,575,818	17,484,551	8,971,487
14	27,201,615	27,509,195	101	14,594,223	17,004,986	8,558,129
21	27,006,170	28,466,060	105	14,611,341	16,901,002	8,532,991
28	27,661,255	29,063,595	105	14,611,952	17,122,865	9,069,793
July 5	28,408,850	29,371,085	103	15,399,705	17,400,313	8,706,333
12	28,272,045	30,042,680	106	15,399,705	17,493,334	4,810,839
19	28,359,275	31,385,850	110	15,335,777	17,217,416	4,732,174
26	28,314,640	31,136,850	110	15,405,977	17,011,493	4,982,160
Aug. 2	28,931,980	32,725,370	113	15,702,325	16,896,302	5,303,493
9	28,925,655	32,912,070	114	15,617,896	16,181,455	5,440,031
16	28,587,670	33,884,915	118	15,459,133	15,967,890	5,490,302
23	28,221,815	33,217,215	117	15,259,133	15,945,490	5,305,436
30	28,087,975	33,040,795	118	15,259,133	15,854,353	5,768,584
Sept. 6	28,179,985	33,509,770	119	15,260,463	16,401,132	5,974,133
13	27,876,800	34,176,790	122	15,222,963	16,023,675	6,289,384
20	27,773,460	34,205,975	123	15,229,155	16,015,085	6,591,284
27	27,973,390	34,049,270	122	15,300,264	16,010,461	7,043,838
Oct. 4	29,249,745	34,127,760	117	15,712,817	15,906,720	6,383,517
11	29,096,760	33,514,385	115	18,202,925	16,018,786	6,181,234
18	28,961,050	32,712,360	113	17,802,925	16,107,468	5,422,087
25	28,541,080	32,775,515	114	17,202,925	16,162,097	5,543,444
Nov. 1	28,782,855	32,190,735	112	17,008,228	16,639,955	5,781,462
8	28,504,940	31,019,690	109	16,308,228	16,538,345	5,666,471
15	28,037,050	30,248,020	108	15,739,297	16,502,061	5,566,667
22	27,802,905	29,643,670	107	15,739,297	16,542,567	6,037,391
29	27,554,155	28,623,170	104	15,739,297	16,752,031	6,538,842
Dec. 6	27,612,925	28,544,460	103	15,832,797	17,102,566	6,398,081
13	27,196,160	28,199,140	104	15,833,004	17,017,236	7,231,822

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac for 1877."

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount.
1876.	£	£	£	£	%	
Jan. 1	18,775,242	299,946	28,371,506	11,740,555	42	4
8	18,308,886	316,140	29,191,869	12,153,292	42	—
15	19,694,577	304,636	30,011,380	12,603,915	42	—
22	19,626,933	287,660	29,003,925	13,486,898	46	3½
29	19,021,728	285,440	29,110,327	13,179,863	45	—
April 5	20,628,956	333,254	28,577,147	12,979,685	45	3
12	22,301,027	355,277	27,486,845	12,731,158	46	—
19	22,680,907	303,297	27,947,504	13,391,740	48	—
26	22,483,140	281,480	28,359,997	13,800,027	49	—
May 3	21,609,725	332,586	27,845,645	13,157,741	47	2
10	20,232,424	318,526	28,211,261	13,364,018	47	—
17	20,271,749	310,547	27,757,078	13,662,419	49	—
24	20,614,682	287,963	28,540,952	14,712,432	51	—
31	20,809,304	265,116	28,830,237	14,816,202	51	—
June 7	20,048,680	276,968	29,297,135	14,867,171	51	—
14	21,396,232	305,910	30,260,271	16,292,405	54	—
21	22,524,303	294,540	31,351,834	17,474,443	55	—
28	22,072,398	252,743	31,394,934	17,298,157	55	—
July 5	22,708,423	303,333	31,778,089	16,781,842	53	—
12	27,635,123	299,647	32,745,609	17,704,436	54	—
19	28,559,404	311,024	33,602,602	18,934,701	56	—
26	28,960,784	309,364	34,252,308	19,723,286	58	—
Aug. 2	28,688,877	321,219	34,313,589	19,621,201	57	—
9	27,992,567	325,224	33,757,822	19,876,523	59	—
16	28,644,306	362,741	34,497,349	21,018,406	61	—
23	28,252,255	389,520	33,947,211	20,672,917	60	—
30	27,686,451	364,589	33,819,624	20,621,351	61	—
Sept. 6	28,003,701	440,828	34,418,662	20,987,257	61	—
13	28,271,987	419,640	34,981,011	21,967,897	63	—
20	28,284,981	370,618	35,246,883	22,244,069	63	—
27	27,517,747	357,924	34,919,509	21,851,251	63	—
Oct. 4	27,196,160	373,151	33,952,828	20,566,872	60	—
11	30,003,658	416,160	63,601,052	19,999,772	55	—
18	29,857,947	401,432	35,681,466	19,396,451	45	—
25	29,488,402	358,306	35,390,152	19,653,789	55	—
Nov. 1	29,103,020	366,409	35,250,891	19,218,686	54	—
8	27,393,442	369,778	33,429,691	18,200,927	54	—
15	26,542,056	380,328	21,489,051	17,870,258	55	—
22	25,914,347	360,080	32,311,818	17,653,891	54	—
29	24,916,197	348,338	31,803,377	16,902,034	53	—
Dec. 6	25,427,699	311,946	32,137,726	16,787,290	52	—
13	24,505,596	334,620	32,072,038	16,809,930	52	—

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

PUBLIC INCOME AND EXPENDITURE.

The following are the receipts into and payment out of the Exchequer between April 1, 1876, and December 16, 1876:—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1876-77.	Total Receipts into the Exchequer from April 1, 1876, to Dec. 16, 1876.	Total Receipts into the Exchequer from April 1, 1875, to Dec. 18, 1875.
Balance, April 1, 1876.	£	£	£
Bank of England	—	3,826,896	4,662,261
Bank of Ireland	—	1,292,691	1,603,061
		5,119,587	6,265,322
REVENUE.			
Customs	20,250,000	14,355,000	14,408,000
Excise	27,624,000	18,731,000	18,639,000
Stamps	11,000,000	7,630,000	7,717,000
Land Tax & House Duty	2,500,000	593,000	599,000
Property and Income Tax	5,268,000	1,219,000	1,240,000
Post Office	5,950,000	4,293,000	4,313,000
Telegraph Service	1,325,000	950,000	895,000
Crown Lands	395,000	265,000	260,000
Miscellaneous	4,100,000	3,182,775	3,032,300
Revenue	78,412,000	51,218,775	51,103,300
Total, including balance		56,338,362	57,368,622
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)		700,000	—
Advances under various Acts, repaid to Exchequer		1,089,712	1,401,896
Money raised for Fortifications & Military Barracks		500,000	250,000
Money raised for Local Loans by Exchequer Bonds		1,000,000	1,250,000
Temporary Advances, not repaid		...	..
Totals	£	69,628,074	60,270,518

EXPENDITURE AND OTHER PAYMENTS.

EXPENDITURE.	Estimate for the Financial Year 1876-77.	Total Issues out of Exchequer to meet Payments from April 1, 1876 to Dec. 16, 1876.	Total Issues out of Exchequer to meet Payments from April 1, 1875 to Dec. 18, 1875.
	£	£	£
Permanent charge of Debt	*27,700,000	18,931,392	18,767,966
Interest on Local & Temporary Loans	*160,000	69,125	17,500
Interest &c., on Excheqr. Bnds. (Suez)	*150,000	75,000	—
Other charges on Consolidated Fund	*1,590,000	1,107,429	1,070,254
Supply Services	†48,557,000	32,181,767	31,948,824
Estimate	78,157,000		
Expenditure		52,364,713	51,804,544
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		3,057,988	3,233,088
Expenses of Fortifications and Military Barracks		500,000	250,000
Exchequer Bills paid off		88,100	17,500
Surplus income applied to reduce debt		—	331,867
		56,010,801	55,636,999
Balances on December 16, 1876:—			
Bank of England		3,103,417	3,640,416
Bank of Ireland		513,856	993,103
Totals	£	69,628,074	60,270,518

* As stated in the Budget.

† As granted by the Appropriation Act.

BANK OF FRANCE.

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DEBTOR.

	Nov. 23.		Nov. 30.		Dec. 7.		Dec. 14.	
	F.	C.	F.	C.	F.	C.	F.	C.
Capital of the Bank ...	182,500,000	0	182,600,000	0	182,600,000	0	182,500,000	0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54
Reserve of the Bank and its branches ...	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14
Reserve of landed property ...	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Special Reserve ...	20,714,209	97	20,714,209	97	20,714,209	97	20,714,209	97
Notes in circulation ...	2,546,209,620	0	2,617,150,235	0	2,541,143,600	0	2,543,678,825	0
Bank-notes to order and receipts payable at sight ...	23,798,530	29	23,638,630	76	24,331,021	64	25,001,784	28
Treasury account current, creditor ...	96,711,083	83	107,042,974	10	89,617,903	79	88,763,756	2
Current accounts, Paris ...	370,836,576	49	361,533,443	52	376,635,973	15	375,054,486	32
Do., branch banks ...	39,698,537	0	41,800,209	0	43,881,864	0	39,801,234	0
Dividends payable ...	1,504,065	0	1,457,680	0	1,423,980	0	1,304,285	0
Interest on securities transferred or deposited ...	4,679,947	39	3,807,027	65	3,850,789	17	3,311,952	96
Discounts and sundry interests ...	8,014,953	15	8,361,875	10	8,736,253	41	9,404,193	70
Re-discounted the last six months ...	1,896,933	8	1,896,933	8	1,896,933	8	1,896,933	8
Bills not disposable ...	2,609,933	82	2,360,058	15	2,109,661	64	2,360,169	79
Reserve for eventual losses on prolonged bills ...	9,000,000	0	9,000,000	0	9,000,000	0	9,000,000	0
Sundries ...	17,012,324	43	17,067,439	63	16,983,803	95	17,158,871	56
Total ...	3,359,354,783	13	3,432,388,779	64	3,356,934,067	48	3,354,058,765	36

CREDITOR.

	Nov. 23.		Nov. 30.		Dec. 7.		Dec. 14.	
	F.	C.	F.	C.	F.	C.	F.	C.
Cash in hand and in branch banks ...	2,167,509,781	11	2,168,423,495	51	2,174,451,093	43	2,175,026,801	62
Commercial bills overdue ...	150,591	60	95,043	24	185,026	76	112,172	81
Commercial bills discounted, not yet due ...	226,369,723	67	286,269,840	22	218,850,733	38	219,145,489	30
Bonds of the City of Paris ...	338,845,000	0	338,845,000	0	338,845,000	0	338,845,000	0
Treasury bonds ...	230,354,875	0	237,243,959	0	222,586,320	0	216,621,408	0
Advances on deposits of bullion ...	10,911,000	0	14,127,100	0	15,715,000	0	17,407,600	0
Do. in branch banks ...	1,970,000	0	1,489,900	0	1,455,900	0	1,464,400	0
Do. in French public securities ...	27,312,500	0	27,727,200	0	27,828,600	0	28,116,300	0
Do. by branch banks ...	20,738,600	0	21,054,500	0	21,185,500	0	21,197,000	0
Do. on railway shares and debentures ...	15,942,900	0	16,163,700	0	16,288,000	0	16,334,900	0
Do. by branch banks ...	13,156,400	0	13,093,000	0	13,091,000	0	12,076,300	0
Do. on Crédit Foncier bonds ...	1,302,600	0	1,275,200	0	1,272,500	0	1,299,300	0
Do. branches ...	732,700	0	741,000	0	741,000	0	784,400	0
Do. to the State (Convention June 10, 1857) ...	60,000,000	0	61,000,000	0	60,000,000	0	60,000,000	0
Government stock reserve ...	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14
Do. disposable ...	76,313,613	82	76,313,613	82	76,313,613	82	76,313,613	82
Rentes Immobilisées (Law of June 9, 1857) ...	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
Hotel and furniture of the Bank, and landed property of branches ...	8,000,620	0	7,995,701	0	9,059,898	0	9,065,426	0
Expenses of management ...	4,204,524	0	4,470,184	63	4,747,709	41	4,857,432	21
Employ of the Special Reserve ...	20,714,209	97	20,714,209	97	20,714,209	97	20,714,209	97
Sundries ...	21,836,193	76	23,360,374	11	20,682,112	67	20,796,261	49
Total ...	3,359,354,783	13	3,432,388,779	64	3,356,934,067	48	3,354,058,765	36

Bank of England Weekly Returns,

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1876. Nov. 29.	1876. Dec. 6.	1876. Dec. 13.	1876. Dec. 20.
	£	£	£	£
Notes issued	43,633,170	43,544,460	43,199,140	43,082,925
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion	28,623,170	28,544,460	28,199,140	28,082,925
Silver Bullion				
	43,633,170	43,544,460	43,199,140	43,082,925

BANKING DEPARTMENT.

	1876. Nov. 29.	1876. Dec. 6.	1876. Dec. 13.	1876. Dec. 20.
	£	£	£	£
Proprietors' capital	14,558,000	14,553,000	14,553,000	14,553,000
Reserve	3,036,986	3,031,927	3,036,132	3,038,134
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts).	6,538,842	6,398,081	7,231,822	7,785,933
Other deposits	24,916,197	25,427,999	24,516,596	23,631,924
Seven day and other bills	348,838	311,946	334,620	321,397
	49,393,362	49,722,053	49,660,170	49,333,388
Government Securities	15,739,297	15,832,797	15,833,004	15,934,208
Other Securities	16,752,031	17,102,568	17,017,236	17,083,627
Notes... ..	16,089,015	15,931,535	16,002,980	15,621,946
Gold and Silver coin	833,019	856,765	806,950	693,608
	49,393,362	49,722,053	49,660,170	49,333,388

THE EXCHANGES.

	Dec. 1.	Dec. 8.	Dec. 15.	Dec. 22.
Amsterdam, short	12 2	12 2	12 2	12 2
Ditto 3 months	12 4	12 4	12 4	12 3½
Rotterdam, ditto	12 4	12 4	12 4	12 3½
Antwerp and Brussels, ditto	25 40	25 40	25 40	25 40
Paris, short	25 22½	25 25	25 25	25 25
Ditto 3 months	25 37½	25 36	25 37½	25 37½
Marseilles, ditto	25 37½	25 37½	25 37½	25 37½
Hamburg, ditto	20 64	20 64	20 65	20 67
Berlin, ditto	20 64	20 64	20 65	20 67
Leipsic, ditto	20 64	20 64	20 65	20 67
Frankfort-on-the-Main, ditto	20 64	20 64	20 64	20 67
Petersburgh, ditto	28½	28½	28½	28½
Copenhagen, ditto	18 55	18 50	18 55	18 55
Vienno, ditto	13 5	13 0	12 95	12 90
Trieste, ditto	13 5	13 0	12 95	12 90
Zurich and Basle, ditto	25 47½	25 47½	25 47½	25 47½
Madrid, ditto	47½	47½	47½	47
Cadiz, ditto	47½	47½	47½	47½
Seville, ditto	47½	47½	47½	47½
Barcelona, ditto	47½	47½	48	48
Malaga, ditto	47½	47½	47½	47½
Granada, ditto	47½	47½	47½	47½
Santander, ditto	47½	47½	47½	47½
Bilboa, ditto	47½	47½	47½	47½
Zaragoza, ditto	47½	47½	47½	47½
Genoa, Milan, Leghorn, ditto	27 97½	27 95	27 90	27 83½
Venice, ditto	27 97½	27 95	27 90	27 83½
Naples, ditto	27 97½	27 95	27 90	27 83½
Palermo and Messina, (ditto)	27 97½	27 95	27 90	27 83½
Lisbon, 90 days	52½	52½	52½	52½
Oporto, ditto	52½	52½	52½	52½
Rio Janeiro, 60 days	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold n Bars (Standard)	8 17 10	8 17 10	8 17 10	8 17 10
Mexican Dollars	0 4 8	0 4 8½	0 4 10½	0 4 8½
Silver in Bars (Standard)	0 4 7	0 4 8½	0 4 10½	0 4 8½

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
„	207 Private Banks	5,153,407
„	72 Joint Stock Banks	3,495,446
Scotland—	12 Joint Stock Banks	3,087,209
Ireland—	6 Joint Stock Banks	6,354,494
		<u>£32,090,556</u>

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£475,000
1861—July 10th	175,000
1866—Feb. 21st	350,000
	<u>1,000,000</u>

£33,090,556

Deduct Lapsed Issues—

England—	88 Private Banks	£1,345,415
„	18 Joint Stock Banks	842,453

Scotland— 1 Joint Stock Bank, combining two issues,
namely:—

Ayrshire Bank	£53,656
Western Bank of Scotland	284,282
	<u>337,938</u>

2,525,806

£30,564,750

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
„	113 Private Banks	3,807,992
„	54 Joint Stock Banks	2,652,993
Scotland—	† 11 Joint Stock Banks	2,749,271
Ireland—	6 Joint Stock Banks	6,354,494
		<u>£30,564,750</u>

NOTE.—The number of Private Banks authorized to issue their own notes

in England, by the Act of 1844, was 207

Diminished in number by amalgamation 6

Lapsed Issues 88

94

113

† The number of Banks authorized to issue their own notes in Scotland, by
the Act of 1845, was 19

Diminished in number by amalgamation 6

Lapsed Issues, as stated above 2

11

ENGLISH FUNDS.

	Price on Dec. 22.	Highest.	Lowest	Price on Nov. 24.
Consols	94½	95½	93½	95½
Exchequer Bills	26/ pm.	28/ pm.	23/ 1 m.	20/ pm.

Bank Rate of Discount 2 per cent.

Bankers' Weekly Circulation Returns

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issuo.	AVERAGE AMOUNT.			
		Nov. 4.	Nov. 11.	Nov. 18.	Nov. 25.
	£	£	£	£	£
1 Ashford Bank	11,849	10,656	10,482	10,397	10,483
2 Aylesbury Old Bank	48,461	19,405	19,563	19,390	19,237
3 Baldock and Biggleswade Bank	37,223	17,897	17,321	16,764	15,729
4 Barnstaple Bank	17,182	4,270	4,070	3,739	3,252
5 Bedford Bank	31,218	29,090	29,683	29,200	28,187
6 Bicester and Oxfordshire Bank	27,090	14,987	14,835	14,757	14,894
7 Boston Bank—Garfit and Co.	75,069	55,209	55,305	55,234	51,611
8 Bristol Bank	48,277	18,367	18,180	18,030	18,555
9 Broseley and Bridgnorth Bank	26,717	13,767	13,706	13,145	13,172
10 Buckingham Bank	29,657	19,486	18,818	19,023	18,879
11 Bury and Suffolk Bank	82,362	85,240	34,239	34,186	33,090
12 Banbury Bank	43,457	20,853	20,705	20,569	19,945
13 Banbury Old Bank	55,153	17,366	17,201	17,473	18,019
14 Bedfordshire Leighton Buzzard Bk. .	36,829	33,499	32,925	31,864	31,206
15 Brecon Old Bank	68,271	36,543	36,907	36,864	35,519
16 Brighton Union Bank	33,794	20,881	20,915	19,995	19,512
17 Burlington and Driffield Bank	12,745	11,481	11,790	12,165	12,576
18 Bury St. Edmunds Bank	3,201	2,145	2,030	1,945	1,947
19 Cambridge Bank—Mortlock & Co. .	25,744	12,179	11,754	11,405	12,047
20 Cambridge and Cambridgeshire Bank	49,916	46,682	45,581	44,644	43,235
21 Canterbury Bank	33,671	20,935	20,496	20,509	20,880
22 Colchester Bank	25,082	11,110	10,848	10,274	10,308
23 Colchester and Essex Bank	48,704	23,013	22,713	22,647	21,710
24 Cornish Bank	49,869	29,165	28,813	27,066	25,757
25 City Bank, Exeter	21,527	10,479	10,581	10,729	10,380
26 Craven Bank—Birkbeck and Co.	77,154	76,703	76,274	73,879	73,038
27 Derby Bank—Messrs. Evans and Co. .	18,332	11,074	11,201	10,983	11,839
28 Derby Bank—Smith and Co.	41,904	28,275	28,686	27,784	27,365
29 Derby Old Bank	27,237	27,345	27,451	26,359	24,989
30 Devizes and Wiltshire Bank	20,674	5,140	4,985	4,680	4,517
31 Darlington Bank	86,218	82,310	85,699	86,426	87,435
32 Devonport Bank	10,664	4,894	4,495	4,384	4,334
33 Dorchester Old Bank	48,807	34,697	34,253	35,037	32,537
34 East Cornwall Bank	112,280	85,586	83,310	82,074	80,700
35 East Riding Bank	53,392	53,824	54,266	52,722	51,122
36 Essex Bk. and Bishop's Stortford Bk.	69,637	36,704	36,180	35,573	34,984
37 Exeter Bank	37,894	16,960	16,625	16,161	16,415
38 Farnham Bank	14,202	7,226	6,855	6,605	6,420
39 Faversham Bank	6,681	5,515	5,500	5,829	5,590
40 Godalming Bank	6,322	5,951	6,004	6,233	5,757
41 Guildford Bank	14,524	11,385	11,037	11,052	10,301
42 Grantham Bank—Hardy and Co.	30,372	17,898	17,370	17,066	16,724
43 Hull and Kingston-upon-Hull Bank..	19,979	19,267	19,710	19,589	20,295
44 Huntingdon Town and County Bank	56,591	24,818	25,035	23,640	22,847
45 Harwich Bank	5,778	4,243	4,243	3,938	3,955
46 Hertfordshire, Hitchin Bank	38,764	29,178	29,187	28,608	28,088
47 Ipswich Bank	21,901	16,911	16,682	16,971	16,662
48 Ipswich and Needham Market Bank	80,699	45,527	44,110	43,411	43,507
49 Kentish Bank—Mercers and Co.	19,895	20,074	20,130	19,403	18,116
50 Kingston and Radnorshire Bank	26,050	23,611	23,199	23,672	22,581
51 Knaresborough Old Bank	21,825	19,868	20,134	20,889	21,713
52 Kendal Bank	44,663	45,010	45,033	43,238	42,793
53 Leeds Bank	130,757	126,619	129,161	130,140	131,581

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Nov. 4.	Nov. 11.	Nov. 18.	Nov. 25
	£	£	£	£	£
54 Leeds Union Bank	37,459	37,290	35,803	37,053	37,015
55 Leicester Bank	32,322	25,464	24,439	24,929	24,848
56 Lewes Old Bank	44,836	24,405	23,953	22,777	21,604
57 Lincoln Bank	100,342	94,842	94,517	96,170	96,100
58 Llandoverly Bank and Llandilo Bank	32,915	26,136	28,124	28,989	27,217
59 Loughborough Bank	7,359	5,804	5,931	6,430	6,644
60 Lymington Bank	5,088	2,111	2,448	2,146	2,085
61 Lynn Regis and Lincolnshire Bank	42,817	28,537	25,731	25,307	25,504
62 Lynn Regis and Norfolk Bank	13,917	9,018	8,910	8,540	8,355
63 Macclesfield Bank	15,760	10,360	10,753	10,576	9,818
64 Minors' Bank	18,688	16,594	16,385	16,744	15,572
65 Monmouth Old Bank	16,385	1,831	1,672	1,723	1,708
66 Newark Bank	28,788	9,534	10,631	10,667	10,561
67 Newark and Sleaford Bank	51,615	43,355	42,193	42,333	41,395
68 Newbury Bank	36,787	11,412	11,525	11,505	11,433
69 Newmarket Bank	23,098	14,996	14,750	14,560	13,853
70 Norwich and Norfolk Bank	105,519	82,365	81,838	79,700	77,753
71 Naval Bank, Plymouth	27,321	21,583	21,339	20,049	18,797
72 New Sarum Bank—Pinckney Bros. ...	15,659	3,848	3,778	3,811	3,687
73 Nottingham Bank	31,047	30,750	31,807	29,815	29,424
74 Oswestry Bank	18,471	7,150	7,000	6,618	6,279
75 Oxford Old Bank	34,391	31,422	30,715	29,820	28,888
76 Old Bank, Tonbridge	13,183	12,171	12,257	11,751	11,054
77 Oxfordshire Witney Bank	11,852	5,019	5,039	5,098	5,425
78 Pease's Old Bank, Hull	48,807	49,111	50,395	47,115	48,184
79 Penzance Bank	11,405	7,205	7,175	7,290	6,898
80 Reading Bank—Simonds and Co.	37,519	19,347	18,481	18,214	18,100
81 Reading Bk.—Stephens, Blandy & Co.	43,271	26,494	26,168	26,050	25,305
82 Richmond Bank, Yorkshire	6,889	6,961	6,985	6,600	6,631
83 Royston Bank	16,393	7,268	7,197	7,150	7,154
84 Rye Bank	29,864	8,348	8,303	7,926	7,622
85 Saffron Walden and North Essex Bk.	47,646	20,975	19,651	19,445	19,952
86 Salop Bank	22,388	4,367	4,236	4,203	4,127
87 Scarborough Old Bank	24,813	24,739	24,908	24,905	24,606
88 Shrewsbury Old Bank	43,191	24,568	24,867	23,827	24,082
89 Sittingbourne and Milton Bank	4,789	2,373	2,066	1,883	1,914
90 Southampton Town and County Bank	25,359	8,272	8,341	8,051	7,395
91 Stamford and Rutland Bank	31,858	10,923	11,397	11,805	11,884
92 Shrewsbury and Welchpool Bank	25,396	19,467	20,043	19,509	18,644
93 Tavistock Bank	13,421	13,210	13,524	12,392	11,426
94 Thornbury Bank	10,026	5,433	5,696	5,730	5,805
95 Tiverton and Devonshire Bank	13,470	5,309	5,063	5,239	4,950
96 Thrapstone and Kettering Bank	11,559	11,029	10,379	10,752	10,381
97 Tring Bank and Chesham Bank	13,581	13,458	12,645	12,293	12,393
98 Towcester Old Bank	10,801	5,610	5,287	5,399	5,319
99 Union Bank, Cornwall	17,003	9,922	10,033	10,261	10,221
100 Uxbridge Old Bank	25,186	5,409	5,866	5,347	5,411
101 Wallingford Bank	17,064	4,099	4,150	4,129	3,958
102 Warwick and Warwickshire Bank ..	30,504	23,086	22,631	23,227	23,052
103 Wellington Somerset Bank	6,528	4,093	3,993	3,727	3,988
104 West Riding Bank	46,158	47,279	47,401	43,857	45,120
105 Whitby Old Bank	14,258	12,062	12,541	13,304	14,162
106 Winchester, Alresford and Alton, Bk.	25,892	9,581	9,170	8,576	8,800
107 Weymouth Old Bank	16,461	11,602	11,182	11,388	10,660
108 Wisbech and Lincolnshire Bank	59,713	37,212	36,104	34,999	34,013
109 Wiveliscombe Bank	7,602	1,825	1,858	1,873	1,887
110 Worcester Old Bank	37,448	43,727	42,484	41,960	41,385
111 Yarmouth and Suffolk Bank	58,060	38,949	38,245	36,657	37,597
112 Yarmouth, Norfolk, and Suffolk Bank	13,229	9,170	9,360	9,268	9,450
113 York Bank	46,387	38,704	39,073	41,044	46,226

JOINT STOCK BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Nov. 4.	Nov. 11.	Nov. 18.	Nov. 25
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	10,946	12,023	12,242	11,400
2 Barnsley Banking Company.....	9,563	8,993	9,157	9,352	9,695
3 Bradford Banking Company	49,272	49,966	49,842	48,947	47,260
4 Bank of Whitehaven	32,681	26,833	27,816	26,797	26,460
5 Bradford Commercial Banking Co. ..	20,084	19,877	19,933	20,166	19,950
6 Barton, Uttoxeter, & Ashbourn Union Bank	60,701	47,382	46,383	45,342	43,480
7 Chesterfield & N. Derbyshire Bk. Co. .	10,421	10,135	10,288	10,350	10,403
8 Cumberland Union Banking Co.....	35,395	35,189	37,135	32,751	31,594
9 Coventry and Warwickshire Bk. Co. .	28,734	14,812	13,562	13,245	14,784
10 Coventry Union Banking Company ..	16,251	15,389	15,180	15,323	14,686
11 County of Gloucester Banking Co.....	144,352	90,168	88,465	88,117	89,211
12 Carlisle and Cumberland Banking Co. .	25,610	24,868	26,152	24,383	23,625
13 Carlisle City and District Bank	19,972	20,041	20,181	19,483	19,865
14 County of Stafford Bank	9,418	7,877	7,446	7,425	7,243
Dudley and West Bromwich Bk. Co. .					
15 Derby and Derbyshire Banking Co. .	20,093	19,299	19,113	18,806	18,093
16 Darlington District Joint Stock Bk. Co. .	26,134	25,040	28,526	27,294	23,723
17 Gloucestershire Banking Company ..	155,920	143,246	139,739	136,983	137,056
18 Halifax Joint Stock Bank.....	18,534	18,046	17,300	18,084	17,870
19 Huddersfield Banking Company.....	37,354	36,078	34,323	34,935	35,556
20 Hull Banking Company	29,333	29,392	28,591	29,090	30,090
21 Halifax Commercial Banking Co.	13,733	9,582	9,357	9,173	9,435
22 Halifax and Huddersfield Union Bank	44,187	32,527	31,090	31,024	31,000
23 Helston Banking Company	1,503	1,493	1,496	1,506	1,476
24 Knaresborough and Claro Banking Co. .	28,059	27,555	28,010	27,906	27,003
25 Lancaster Banking Company	64,811	63,455	65,848	64,793	60,093
26 Leicestershire Banking Company	86,060	63,864	64,445	66,092	64,204
27 Lincoln and Lindsey Banking Co.....	51,620	50,160	52,785	50,575	47,273
28 Leamington Priors and Warwickshire Banking Company	13,875	10,925	11,593	10,809	11,035
29 Ludlow and Tenbury Bank	10,215	9,091	9,508	9,170	8,787
30 Moore and Robinson's Notts. Bkg. Co. .	85,813	37,335	34,555	35,350	35,060
31 Nottingham and Notts. Banking Co. .	29,477	26,635	26,958	27,063	27,435
32 North Wilts Banking Company	63,939	38,690	38,811	37,610	38,350
33 Northamptonshire Union Bank	84,356	59,403	57,790	57,399	55,918
34 Northamptonshire Banking Company	26,401	17,877	18,045	17,902	17,088
35 North and South Wales Bank.....	63,951	65,684	61,703	56,605	57,106
36 Pares's Leicestershire Banking Co. .	59,300	50,964	51,965	51,548	51,187
37 Sheffield Banking Company	35,843	25,064	26,515	26,684	24,627
38 Stamford, Spalding & Boston Bk. Co. .	55,721	49,959	51,894	50,825	49,047
39 Stuckey's Banking Company	356,976	317,787	314,646	310,142	304,320
40 Stourbridge & Kidderminster Bkg. Co. .	56,830	47,442	46,443	46,502	46,866
41 Sheffield and Hallamshire Bkg. Co. .	23,524	22,580	21,834	21,418	21,286
42 Sheffield & Rotherham Joint Stock Bk. .	52,496	52,087	52,965	50,588	48,559
43 Swaledale and Wensleydale Bkg. Co. .	54,372	52,374	53,508	53,810	53,330
44 Wolverhampton and Staffordshire Bk. .	35,378	15,395	15,180	14,656	15,430
45 Wakefield and Barnsley Union Bank. .	14,604	13,905	13,850	14,465	13,947
46 Whitehaven Joint Stock Bkg. Co.	31,916	29,375	31,655	32,112	30,565
47 West of Eng. & S. Wales District Bk. .	83,535	73,343	70,881	71,601	70,603
48 Wilts and Dorset Banking Company..	76,162	68,684	71,475	74,331	74,774
49 West Riding Union Banking Company	34,029	33,688	33,790	33,052	33,918
50 Whitchurch and Ellesmere Bk. Co. .	7,475	4,876	4,816	4,979	5,029
51 Worcester City and County Bk. Co. .	6,848	2,275	2,475	2,233	1,558
52 York Union Banking Co.....	71,240	69,978	72,080	71,414	70,540
53 York City and County Banking Co. .	94,695	92,940	93,283	95,334	95,330
54 Yorkshire Banking Company	122,532	114,217	119,167	120,391	124,650

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 25th November, 1876.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland	3,738,428	2,056,000	1,322,625	3,378,625	509,505
Provincial Bank of Ireland	927,667	521,928	465,930	987,858	420,683
Belfast Bank	281,611	239,700	347,806	587,006	408,582
Northern Bank	243,440	231,891	353,916	585,807	442,050
Ulster Bank	311,079	458,907	456,158	915,065	767,999
The National Bank	852,269	1,003,005	686,803	1,689,808	1,086,003
TOTALS (Irish Banks)....	6,354,494	4,511,431	3,692,738	8,144,169	5,629,822

SCOTCH BANKS.

Bank of Scotland	343,418	277,070	530,160	807,230	533,189
Royal Bank of Scotland	216,451	307,806	534,609	842,415	729,076
British Linen Company	438,024	209,201	419,862	629,063	252,165
Commercial Bank of Scotland..	374,880	291,542	626,699	918,241	624,002
National Bank of Scotland	297,024	232,392	474,094	706,486	483,092
Union Bank of Scotland	454,646	326,092	595,046	921,138	587,050
Aberdeen Town & County Bank	70,133	121,437	141,404	262,841	216,682
North of Scotland Banking Co.	154,319	201,642	206,109	407,751	276,853
Clydesdale Banking Company..	274,321	254,217	388,530	642,747	425,281
City of Glasgow Bank	72,921	276,006	453,105	729,111	701,964
Caledonian Banking Company ..	53,434	50,382	98,337	148,719	109,794
TOTALS (Scotch Banks)....	2,749,271	2,547,787	4,467,955	7,015,742	4,939,148

BANKERS' CLEARING HOUSE RETURNS.

THE FOLLOWING IS THE RETURN OF PAID CLEARING FOR THE

WEEK ENDING NOV. 29TH.	WEEK ENDING DEC. 6TH.	WEEK ENDING DEC. 13TH.
Thursday £12,117,000	Thursday .. £29,646,000	Thursday £13,375,000
Friday 12,181,000	Friday 20,844,000	Friday 12,843,000
Saturday 14,949,000	Saturday 17,773,000	Saturday 15,290,000
Monday 14,437,000	Monday 17,147,000	Monday 12,119,000
Tuesday 13,702,000	Tuesday 14,471,000	Tuesday 14,660,000
Wednesday .. 13,426,000	Wednesday .. 12,639,000	Wednesday .. 12,834,000
£80,812,000	£112,520,000	£81,121,000
WEEK ENDING DEC. 20TH.	Tuesday £14,813,000	
Thursday £27,552,000	Wednesday.... 12,495,000	
Friday..... 17,916,000		
Saturday..... 15,949,000		£105,798,000
Monday 17,013,000		

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING NOV. 25th, 1876.**

	Fixed Issues.	Nov. 4.	Nov. 11.	Nov. 18.	Nov. 25.
	£	£	£	£	£
113 Private Banks	3,807,992	2,568,155	2,554,665	2,521,006	2,493,478
54 Joint Stock Banks	2,652,993	2,303,786	2,310,971	2,287,620	2,259,918
167 Totals	6,460,985	4,871,941	4,865,636	4,808,626	4,753,396

Average Weekly Circulation of these Banks for the month ending Nov. 25, 1876:—

Private Banks	£2,534,326
Joint-Stock Banks	2,290,574

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,824,900

On comparing these amounts with the Returns for the month ending Oct. 28th last, they show:—

A decrease in the notes of Private Banks, of	£56,149
A decrease in the notes of Joint-Stock Banks, of	30,034

Total decrease on the month £86,183

And, as compared with the month ending Nov. 27th, 1875:—

A decrease in the notes of Private Banks, of	£72,863
A decrease in the notes of Joint-Stock Banks, of	59,936

Total decrease as compared with the same period of last year £132,799

The following is the comparative state of the circulation as regards the fixed issues:—

The Private Banks are <i>below</i> their fixed issues	£1,273,666
The Joint-Stock Banks are <i>below</i> their fixed issues	362,419

Total BELOW their fixed issues £1,636,085

SUMMARY OF IRISH AND SCOTCH RETURNS TO NOV. 25th, 1876.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz. :—

Average Circulation of the Irish Banks	£8,144,169
Average Circulation of the Scotch Banks	7,015,743

Total Average Circulation of these Banks for the past month £15,159,912

On comparing these amounts with the Returns for the month ending 28th Oct. last, they show—

Increase in the Circulation of Irish Banks	£110,004
Increase in the Circulation of Scotch Banks	841,233

Total increase on the month £951,237

And as compared with the month ending Nov. 27th, 1875, they show—

Decrease in the Circulation of Irish Banks	£85,528
Increase in the Circulation of Scotch Banks	132,417

Total increase as compared with the same period of last year £46,889

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	£26,854,494
11 Banks in Scotland, allowed to issue	..	..	..	..	2,749,271
17 Banks in all, allowed to issue	..	..	..	..	£29,103,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	£1,789,675
Scotch Banks are above their fixed issue	..	..	..	..	4,266,472

Total above the fixed issue	..	..	..	..	£6,056,147
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	£3,629,82 2
Gold and Silver held by the Scotch Banks	..	..	..	..	4,939,1 48

Total of Gold and Silver Coin	..	..	..	..	£8,568,970
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Being an increase of £149,446 on the part of the Irish Banks, and an increase of £51,351 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO NOV. 25th, 1876.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	Nov. 25.	Oct. 28.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 22nd Nov.)	28,281,938	28,961,906	..	679,968
Private Banks	2,534,326	2,590,475	..	56,149
Joint-Stock Banks	2,290,574	2,320,608	..	30,034
Total in England	33,106,838	33,872,989	..	766,151
Scotland	7,015,743	6,174,510	841,233	..
Ireland	8,144,169	8,034,165	110,004	..
United Kingdom	48,266,750	48,081,664	951,237	766,151

The comparison of the month ending Nov. 27th, 1875, with the month ending Nov. 25th, 1876, shows an increase in the Bank of England circulation of £290,658, a decrease in Private Banks of £72,863, and a decrease in Joint-Stock Banks, of £59,936, being a total increase in England of £157,854, while in Scotland there is an increase of £132,417; and in Ireland a decrease of £86,528. Thus showing that the month ending the 25th Nov., as compared with the same period last year, presents an increase of £157,854 in England, and an increase of £201,743 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending Nov. 22nd gives an average amount in both departments of £31,517,878. On a comparison of this with the Return for the previous month, there appears to be a decrease of £234,199; and an increase of £8,204,762 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending Nov. 25th was £8,568,970; being an increase of £700,800, as compared with the Return of the previous month, and an increase of £101,446, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share.	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	10½
Feb. Aug.	7 "	25	Alliance, Limited	10	12½
Jan. July	" "	200fl.	Anglo-Austrian	120fl.	
Mar. Sep.	10 p. ct.	20	Anglo-Californian, Limited	10	10½
May Nov.	" "	20	Anglo-Egyptian Banking, Limited	all	14½
Mar. Sep.	7½ p. ct.	20	Anglo-Foreign Banking, Limited	10	
" "	" "	100fl.	Anglo-Hungarian	all	
Feb. Aug.	8 "	20	Anglo-Italian, 1866, Limited	10	
Mar. Sep.	12½ "	40	Bank of Australasia	all	74½
April Oct.	8 "	20	Bank of British Columbia	all	
" "	8 "	20	Ditto New, issued at £2 pm.	10	
Jan. July	6 "	10	Bank of Constantinople	6	
Feb. Aug.	10 "	25	Bank of Egypt	all	
" "	12 "	Stk.	Bank of Ireland	100	
Jun. Dec.	5 "	20	Bank of Roumania	8	3½
Jan. July	10 "	25	Bank of South Australia	all	
April Oct.	12 "	50	Bank of Victoria, Australia	2½	
Jan. July	15 "	10	Bank of New Zealand	all	21½
" "	7 "	50	British North American	all	
Feb. Aug.	8 "	10	Central of London, Limited	5	
April Oct.	5 "	20	Chartered of India, Australia, and China	all	18½
" "	8 "	25	Chartered Merc. of India, London and China	all	28
Jan. July	8 "	20	City	10	13½
" "	15 "	100	Colonial	30	
April Oct.	6 "	6	Commercial Bank of Alexandria, Limited	3	
Jan. July	10 "	10	Consolidated, Limited	4	
April Oct.	3½ "	25	Delhi and London, Limited	all	
May Nov.	8 "	20	English Bank of Rio de Janeiro, Limited	10	11½
Feb. Aug.	8 "	20	English, Scottish, and Australian Chartered	all	
" "	" "	" "	Franco-Egyptian, issued at 5 pm.	10	
April Oct.	6 "	28½	Hong Kong and Shanghai Bank Corporation	all	
Jan. July	6 "	50	Imperial, Limited	15	
" "	" "	20	Imperial Ottoman	10	4½
April Oct.	8 "	25	Ionian	all	
" "	8 "	25	Ditto, New	10	
May Nov.	" "	20	Land Mortgage Bank of India, Limited	5	½
Jan. July	" "	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	
Mar. Sep.	" "	30	London Bank of Mexico & South America, Lim.	20	
" "	6 "	30	Ditto, New	10	
Jun. Dec.	8 "	20	London Chartered of Australia	all	26½
Feb. Aug.	16 "	50	London and County	20	62
" "	16 "	50	Ditto, New, 1874, iss. at 10 pm.	20	
Jan. July	15 "	50	London Joint Stock	15	47½
Feb. Aug.	12½ "	10	London and Provincial, Limited	5	
Jun. Dec.	4 "	100	London and River Plate, Limited	40	
" "	4 "	25	Ditto, New	10	
Mar. Sep.	8 "	10	London and San Francisco, Limited	all	11½
May Nov.	" "	20	London and South African	all	10½
Feb. Aug.	8 "	100	London and South Western, Limited	20	
" "	14 "	100	London and Westminster	20	62½
April Oct.	10 "	20	Mercantile Bank of the River Plate, Limited	all	2½
Mar. Sep.	8 "	100	Merchant, Limited	25	31
Jan. July	8 "	10	Metropolitan A } B receives no dividend until {	all	9½
" "	" "	10	Ditto B } 10 per ct. has been paid to A {	all	
" "	8 "	10	Ditto, New, A	1½	
Feb. Aug.	8 "	100	Midland, Limited	20	
" "	12 "	50	National	30	
Jun. Dec.	10 & bonus	5	National of Australasia	4	
Feb. Aug.	8/13¼ p. ct.	25	National of Liverpool, Limited	15	
Jan. July	6 "	10	National of New Zealand, Limited	3½	
Jun. Dec.	20 "	50	National Provincial of England	21	
" "	20 "	20	Ditto, ditto	12	49½
" "	20 "	20	Ditto, New, 1874, iss. at £10 prem.	8	
April Oct.	5 "	20	New London and Brazilian, Limited	10	6½
May Nov.	17½ "	20	New South Wales	all	
Feb. Aug.	6½ "	20	North Eastern, Lim., iss. at 2 pm., already paid	6	
Feb. Aug.	8 "	24	North Western	7½	
April Oct.	10 "	25	Oriental Bank Corporation	all	44½
Jan. July	15 "	100	Provincial of Ireland	25	
" "	15 "	10	Ditto, New	all	
May Nov.	12 "	100	Standard of British South Africa, Limited	25	34½
Jan. July	16 "	25	Union of Australia	all	59½
" "	15 "	50	Union of London	15½	42½

THE BANKERS' MAGAZINE

AND

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THE PROGRESS OF BANKING IN GREAT BRITAIN IN 1876.

No. II.

THE condition of any business is shown more clearly by the amount of capital which is embarked in it, and by the fact that the amount of capital is either increasing or diminishing, than by any other standard. If a business is considered to be stationary or declining, it is not to be expected that fresh capital will be embarked in it. On the contrary, either a withdrawal of capital, or a reluctance to invest more money in it, would very speedily be shown. Now, from the nature of business generally it is usually very difficult to ascertain with any amount of certainty whether the amount of capital invested in many trades is extending or contracting, in this or in any other country. In most concerns an absolute secrecy is observed on this point. It would be difficult to state from year to year (with any certainty) whether the business of the great merchants of London or Liverpool was really improving, or otherwise. Some general idea may be formed by those well acquainted with the ground, but that is all. In manufactures greater publicity results from the fact that the extension or closing of works, the working longer hours or shorter time, the records of the Board of Trade as to the exports and imports of the particular class of goods which the manufacturer produces, and of the raw material which he requires—all give some clue to the prosperity, or otherwise, of a particular class of occupation. But more information is obtainable with regard to banking in this country than with most branches of business, from the periodical publication of the accounts of the joint stock banks, and the statements made publicly at the general meetings of the respective companies.

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We gave in the January number of this magazine a statement of the new banking offices opened in Great Britain and Ireland during the year 1876 ; and we propose now to continue that enquiry by a statement as to the increase in the capital and reserve funds of the joint stock banks in the country. This statement will be found at the close of this paper, and for facility of reference it has been arranged and divided in a similar manner as the statement referred to above of the increase in the number of banking offices. In examining the two statements it will be seen that, omitting from the comparison six private provincial banks in England which increased the number of their branches, the increase in the number of branch offices in England and Wales took place among 31 joint stock banks, divided as follows :—

3 Metropolitan Banks,
3 Metropolitan and Provincial Banks,
25 Provincial Banks,

31 Banks in England and Wales.

8 Banks in Scotland,
7 Banks in Ireland,

46 Banks in the United Kingdom.

These 46 banks opened collectively 94 new branch offices, which, with one new bank opened (the Hove Banking Company, Limited), and eight branch offices opened by the six private provincial banks referred to, make up the number of 103 new bank offices opened in the United Kingdom in the course of 1876 ; an increase in banking accommodation which, when the depressed state of trade generally is considered, must be regarded as important. Beyond this, it is a very satisfactory matter to record that an increase in banking resources, either in the shape of capital or of an addition to the reserve funds was far more general in the country, taken as a whole, than an increase in the number of branch offices during the year 1876. For while, as we have seen, in England and Wales 31 joint stock banks extended their operations in that manner, no less than 86 banks extended their capital. Dividing these banks in the manner as those just mentioned, we find that this increase in banking resources took place among

7 Metropolitan Banks,
6 Metropolitan and Provincial Banks,
73 Provincial Banks,

86 Banks in England and Wales.

2 Banks in the Isle of Man,
4 Banks in Scotland,
1 Bank in Ireland,

—
93 Banks in the United Kingdom.

One bank in Scotland and three banks in Ireland show a diminution in their reserve funds. This diminution is due in Scotland, and doubtless also in Ireland, to exceptional causes. There are times when banking, like other business, is not uniformly prosperous, and a diminution of reserve funds in no less than three banks in Ireland appears to show that banking has been less prosperous in Ireland during the period under consideration than in the rest of the country, as will be seen in the general summary. The increase in capital and reserve funds in England and Wales, the Isle of Man, and Scotland has been £2,032,876; and deducting from this the diminution of £124,585 in Ireland, a net increase is recorded on the year of £1,908,291 in the United Kingdom.

Among the banks showing the larger augmentations in capital and reserve funds, the following may be specially noted.

Of Metropolitan Banks:—

The London and Westminster, £96,674 increase in reserve fund.

Among Metropolitan and Provincial Banks:—

The National Provincial ...	} £142,122 increase in capital. 157,556 do. reserve fund.

£299,678

The London and County	} £76,180 increase in capital. 63,090 do. reserve fund.
Banking Company ...	

£139,270

The Hampshire Banking	} £50,000 increase in capital. 60,000 do. reserve fund.
Company ...	

£110,000

Among Provincial Banks:—

Halifax Joint-Stock Bank-	} £50,000 increase in capital. 75,000 do. reserve fund.
ing Company ...	

£125,000

Parr's Banking Company,	} £101,500 increase in capital. 14,000 do. reserve fund.
Limited ...	

£115,500

Stamford, Spalding and Bos-	} £50,000 increase in capital. 50,000 do. reserve fund.
ton Banking Company ...	

£100,000

Moore and Robinson's Not-	}	£75,500	increase in capital.
tinghamshire Banking Co.,			
Limited		4,000	do. reserve fund.

£79,500

Among Scotch Banks :—

The Bank of Scotland	}	£250,000	increase in capital.
		25,000	do. reserve fund.

£275,000

These instances will show, what will be more fully obvious from an examination of the following table which includes every joint stock bank in the country from which information can be obtained, that the augmentation of banking resources has not been confined to any one part of the kingdom, or to any particular division of the banking field. In proportion the increase has been greater among banks in England beyond the limits of the metropolis than in London. The growth of capital in banks which carry on their business in London only has been about £100,000 in the year; in banks carrying on their business in London and the provinces, about £650,000; and among the English provincial banks, more than £1,000,000. This last is a very remarkable increase of capital, especially when the great depression in trade within the last twelvemonth is borne in mind. In Scotland there has been a net increase of about £300,000. It appears probable that during the past year, the growth of the paid-up capital and reserve funds in the banks of the country has, generally speaking, been greater, in proportion, than the growth in the deposits. This would seem to have been specially the case among the Metropolitan and Provincial, and Provincial Banks in England. Such an augmentation is a very desirable thing. Banks which possess considerable resources of their own are more likely to keep large reserves of money ready, in case of any sudden demand, than the banks whose capitals are small in comparison with their deposits. Those in charge of the management of a bank with a considerable capital of its own do not feel the same obligation of necessity to turn every portion of the money in their hands to profit, as when interest has to be paid on nearly the whole of it. It is a good sign of a policy which will work in the same direction, that, recently, several of the metropolitan banks—as the Union Bank of London, and the City Bank—either have or will shortly discontinue the practice of allowing interest on current balances; but among the customers of provincial banks the custom of allowing interest on money so placed has still so strong a hold, that it cannot be expected to be dropped at the present time. Hence

the large growth of capital and reserve funds among the provincial banks is a very desirable thing, and will, we hope, greatly tend to increase the stability of those institutions.

It will be observed that in some instances a diminution in the reserve funds is noted, while there has been an increase in the capitals. In these cases this diminution in the reserve funds is probably due to the amount having been capitalized; the sum stated as a diminution of the reserve has not really been lost to the bank—it only reappears in the column marked “Capital.” In other cases the reserve fund has been increased through a premium on new shares issued; but in most instances the sum added to reserve has been derived from the profits of the bank—profits which the shareholders have been wise enough to forego dividing among themselves, in order to lay the foundation of greater strength and stability in their business.

In most instances an increase in the number of the shareholders of the bank is to be noted. This, like the augmentation in the capital and reserve funds, shows that an increased confidence is felt in the monetary institutions of the country—a confidence which will, doubtless, induce an improvement in other directions, as soon as the present depression in the commerce and manufactures of the country has passed away.

PROGRESS OF BANKING AND CAPITAL AND RESERVE FUNDS
IN THE UNITED KINGDOM, 1876.

ENGLAND AND WALES.							
<i>Increase</i> in Capital paid up	..	..	..	..	..	..	£892,917
<i>Increase</i> in Reserve Funds	..	..	..	..	..	..	924,693
							£1,817,610
ISLE OF MAN.							
<i>Increase</i> in Capital paid up	..	..	..	..	..	..	£1,900
<i>Increase</i> in Reserve Funds	..	..	..	..	..	..	4,550
							£6,450
SCOTLAND.							
<i>Increase</i> in Capital paid up	..	..	..	..	..	..	£255,104
<i>Deduct Decrease</i> in Reserve Funds	..	..	..	..	..	..	46,288
							£208,816
IRELAND.							
Capital paid up the same as in 1875,							
<i>Decrease</i> in Reserve Funds..	..	..	..	..	..	..	£124,585
GENERAL SUMMARY—UNITED KINGDOM.							
<i>Increase</i> in Banking Capital, England and Wales	..	..	..	..	..	..	£1,817,610
Do. Do. Isle of Man	..	..	..	..	..	..	6,450
Do. Do. Scotland	..	..	..	..	..	..	208,816
							£2,032,876
<i>Decrease</i> Do. Ireland	..	..	..	..	..	..	124,585
<i>Net Increase</i> in the country generally	..	..	..	..	..	..	£1,908,291

JOINT STOCK BANKS.—ENGLAND AND WALES.
WHICH HAVE STATED AN ALTERATION IN CAPITAL IN 1876.

Name of Bank.	Paid-up Capital as stated in 1876.	Paid-up Capital as stated in 1876.	De-crease in 1876.	Reserve Fund as stated in 1876.	Reserve Fund as stated in 1876.	Increase in 1876.	De-crease in 1876.	Reserve Fund as stated in 1876.	Increase in 1876.	Decrease in 1876.
	£	£	£	£	£	£	£	£	£	£
Adelphi Bank, Limited	130,110	The same	None	None	10,000	..	None	10,000	10,000	—
Alliance Bank, Limited	800,000	Do.	..	..	170,000	..	..	195,000	25,000	—
Ashton, Stayley bridge, Hyde and Glossop Bank	50,000	Do.	..	..	16,005	..	..	17,334	1,329	—
Bank of Leeds, Limited	151,300	The same	..	..	42,327	..	..	46,905	4,579	—
Bank of Liverpool	625,000	Do.	..	..	317,778	..	..	309,314	..	8,464
Barnsley Banking Company	40,575	46,848	6,273	..	35,616	..	..	46,883	11,267	—
Birmingham, Dudley and District Banking Company	228,160	The same	..	..	87,000	..	..	95,000	8,000	—
Birmingham Banking Company, Limited	188,070	Do.	..	..	130,000	..	..	140,000	10,000	—
Birmingham and Midland Bank	300,000	Do.	..	..	250,000	..	..	260,000	10,000	—
Birmingham Joint Stock Bank, Limited	203,900	Do.	..	..	221,219	..	..	219,490	..	1,729
Bradford Commercial Banking Company	241,875	245,000	3,125	..	160,000	..	..	166,250	6,250	—
Bradford Banking Company	408,000	The same	..	..	255,000	..	..	270,000	15,000	—
Bradford District Bank, Limited	283,375	290,970	7,595	..	190,000	..	..	200,850	10,850	—
Bradford Old Bank, Limited	423,060	423,560	500	..	131,770	..	..	102,520	..	29,250
Bucks and Oxon Union Bank, Limited	80,000	The same	..	..	17,000	..	..	19,000	2,000	—
Burton, Uttoxeter and Ashbourn Union Bank	130,000	Do.	..	..	68,112	..	..	69,998	1,886	—
Carlisle City and District Bank	80,162	Do.	..	..	93,024	..	..	97,932	4,908	—
Central Bank of London, Limited	100,000	Do.	..	..	21,500	..	..	10,000	..	11,500
Chesterfield and North Derbyshire Banking Company	35,000	Do.	..	..	18,049	..	..	13,172	123	—
City Bank	600,000	Do.	..	..	135,000	..	..	160,000	25,000	—
Consolidated Bank	800,000	Do.	..	..	120,000	..	..	135,000	15,000	—
County of Gloucester Banking Company	181,000	Do.	..	..	69,068	..	..	70,527	1,459	—
County of Stafford Bank	60,000	Do.	..	..	30,000	..	..	37,587	7,587	—
Covertry Union Banking Company	56,000	Do.	..	..	17,646	..	..	18,306	660	—
Carried forward	..	..	17,493	..	..	..	..	..	170,898	50,943

JOINT STOCK BANKS.—ENGLAND AND WALES.—Continued.

WHICH HAVE STATED AN ALTERATION IN CAPITAL IN 1876.

Name of Bank.	Paid-up Capital as stated in 1876.	Paid-up Capital as stated in 1876.	De-crease in 1876.	Reserve Fund as stated in 1876.	Reserve Fund as stated in 1876.	Increase in 1876.	Decrease in 1876.
Brought forward.....	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..	£ ..
Coventry and Warwickshire Banking Company	105,000	The same	17,493	21,000	22,600	170,898	50,943
Darlington District Banking Company	68,000	Do.	..	30,300	22,969	1,500	—
Derby and Derbyshire Banking Company	62,800	Do.	..	7,000	9,000	..	7,331
Derby Commercial Bank, Limited	30,000	Do.	..	None	3,000	2,000	—
Devon and Cornwall Banking Company	125,000	Do.	..	88,000	89,000	3,000	—
Exchange and Discount Bank, Limited, Leeds	100,000	Do.	..	46,860	50,000	6,000	—
Glamorganshire Banking Company	250,000	300,000	50,000	166,000	125,000	3,150	—
Halifax Commercial Banking Company	120,000	150,000	30,000	70,000	106,000	36,000	—
Halifax Joint Stock Banking Company	150,000	200,000	50,000	105,000	180,000	75,000	—
Hampshire Banking Company	150,000	200,000	50,000	40,000	100,000	60,000	—
Huddersfield Banking Company	408,775	410,275	1,500	100,000	108,000	8,000	—
Hull Banking Company	90,990	97,575	6,585	81,190	88,148	6,958	—
Knaresboro' and Clare Banking Company	Unknown	The same	..	23,000	24,000	1,000	—
Lancashire and Yorkshire Bank, Limited	250,000	Do.	..	33,000	38,035	5,035	—
Leamington Priors, and Warwickshire Bank	32,000	Do.	..	14,555	15,745	1,190	—
Leeds and County Bank, Limited	230,000	Do.	..	60,000	65,000	5,000	—
Leicestershire Banking Company	275,000	300,000	25,000	87,000	90,000	3,000	—
Lincoln and Lindsey Banking Company	114,400	The same	..	148,000	146,800	800	—
Liverpool Union Bank	600,000	Do.	..	164,364	195,228	30,864	—
Lloyds' Banking Company, Limited	400,000	Do.	..	200,000	210,000	10,000	—
London and County Banking Company	1,423,790	1,499,970	76,180	636,895	699,985	63,090	—
London Joint Stock Bank	1,200,000	The same	..	522,713	540,859	18,146	—
Carried forward	..	..	306,758	..	..	510,631	99,274

JOINT STOCK BANKS.—ENGLAND AND WALES—Continued.

WHICH HAVE STATED AN ALTERATION IN CAPITAL IN 1876.

Name of Bank.	Paid-up Capital as stated in 1876.	Paid-up Capital as stated in 1876.	Increase in 1876.	Decrease in 1876.	Reserve Fund as stated in 1876.	Reserve Fund as stated in 1876.	Increase in 1876.	Decrease in 1876.
Brought forward								
London and Provincial Bank, Limited	136,400	176,000	306,758	None	20,186	68,771	510,631	99,274
London and South Western Bank, Limited	166,180	180,000	13,820	..	12,000	20,126	43,585	—
London and Westminster Bank	2,000,000	The same	..	..	667,501	764,175	8,126	—
Manchester and County Bank, Limited	660,000	Do.	..	..	350,000	375,000	96,674	—
Manchester and Liverpool District Banking Company	905,000	Do.	..	..	571,774	623,164	25,000	—
Manchester Joint Stock, Limited	90,000	102,300	12,300	..	28,617	46,666	51,390	—
Metropolitan Bank, Limited	190,583	192,931	2,348	..	None	None	18,039	—
Midland Banking Company, Limited	300,000	The same	..	..	46,000	50,000	..	—
Moore and Robinson's, Nottinghamshire Banking Company, Limited	127,500	203,000	75,500	..	96,000	100,000	5,000	—
National Provincial Bank of England	1,433,178	1,576,300	142,122	..	742,444	900,000	4,000	—
National Bank of Liverpool, Limited	450,000	The same	..	..	100,000	105,000	157,556	—
Northamptonshire Banking Company	78,000	Do.	..	..	20,348	22,128	5,000	—
Northamptonshire Union Bank	132,000	159,000	27,000	..	146,058	133,069	1,780	—
North Eastern Banking Company, Limited	260,000	The same	..	..	80,000	80,610	..	12,987
Northern Counties Bank, Limited	21,690	Do.	..	..	1,783	1,957	610	—
North Western Bank, Limited	405,000	Do.	..	..	100,000	110,000	174	—
Nottingham and Nottinghamshire Banking Company	203,500	Do.	..	..	35,000	37,000	10,000	—
Nottingham Joint Stock Bank, Limited	100,000	Do.	..	..	33,225	35,000	2,000	—
Pare's Leicestershire Banking Company	310,000	Do.	..	..	148,201	153,083	1,775	—
Parr's Banking Company, Limited	290,000	391,500	101,500	..	156,000	170,000	4,882	—
Preston Banking Company	100,000	The same	..	..	9,000	19,000	14,000	—
Carried forward	..	..	720,948				970,222	112,281

JOINT STOCK BANKS.—ENGLAND AND WALES.—Continued.

WHICH HAVE STATED AN ALTERATION IN CAPITAL IN 1876.

Name of Bank.	Paid-up Capital as stated in 1876.	Paid-up Capital as stated in 1876.	Increase in 1876.	Decrease in 1876.	Reserve Fund as stated in 1876.	Reserve Fund as stated in 1876.	Increase in 1876.	Decrease in 1876.
	£	£	£	£	£	£	£	£
Brought forward.....	..	..	720,948	None	..	..	970,222	112,261
Sheffield and Rotherham Banking Company.....	160,704	The same	..	..	86,169	86,171	702	—
Sheffield Banking Company.....	293,160	Do.	..	..	106,404	108,125	1,721	—
Sheffield and Hallamshire Bank.....	183,200	Do.	..	..	55,581	55,678	97	—
Southport and West Lancashire Banking Company, Limited.....	70,000	80,000	10,000	..	..	..	..	—
Staffordshire Joint Stock Bank, Limited.....	175,000	The same	..	..	60,000	66,000	5,000	—
Stamford, Spalding, and Boston Banking Company.....	200,000	250,000	50,000	..	100,000	150,000	50,000	—
Stourbridge and Kidderminster Banking Company.....	100,000	The same	..	..	95,620	100,000	4,380	—
Stuckey's Banking Company.....	301,900	Do.	..	..	163,364	165,864	12,500	—
Swansea Bank, Limited.....	170,784	199,753	28,969	..	30,000	32,564	2,564	—
Swaledale and Wensleydale Banking Company.....	63,000	The same	..	..	29,690	33,375	3,685	—
Union Bank of London.....	1,395,000	Do.	..	..	450,000	411,000	..	39,000
Wakefield and Barnsley Union Bank.....	100,000	Do.	..	..	84,000	90,000	6,000	—
West of England and South Wales District Bank.....	750,000	Do.	..	..	150,356	151,996	1,640	—
West Riding Union Banking Company.....	200,000	Do.	..	..	32,346	43,810	11,464	—
Whitehaven Joint Stock Bank.....	45,000	Do.	..	..	36,465	38,765	2,300	—
Wills and Dorset Banking Company.....	250,000	300,000	50,000	..	155,213	155,706	493	—
Yorkshire Banking Company.....	250,000	The same	..	..	158,000	168,000	10,000	—
York City and County Bank.....	162,500	Do.	..	..	147,500	151,000	3,500	—
York Union Banking Company.....	132,000	165,000	33,000	..	76,284	66,170	..	10,114
Increase in Capital.....	..	..	892,917	..	..	..	1,086,068	161,375
Net Increase in Reserve Funds.....	..	..	..	..	..	..	..	924,693

JOINT STOCK BANKS.—ENGLAND AND WALES—Continued.
WHICH HAVE STATED AN ALTERATION IN CAPITAL IN 1876.

METROPOLITAN BANKS.

Name of Bank.	Paid-up Capital as stated in 1876.	Paid-up Capital as stated in 1876.	Increase in 1876.	De-crease in 1876.	Reserve Fund as stated in 1876.	Reserve Fund as stated in 1876.	Increase in 1876.	Decrease in 1876.
	£	£	£	£	£	£	£	£
Alliance Bank, Limited.....	800,000	The same	..	None	170,000	195,000	25,000	—
Central Bank of London, Limited	100,000	Do.	..	..	21,500	10,000	..	11,500
City Bank	600,000	Do.	..	..	135,000	160,000	25,000	—
London Joint Stock Bank.....	1,200,000	Do.	..	..	522,713	540,859	18,146	—
London and Westminster Bank	2,000,000	Do	..	..	667,501	764,175	96,674	—
Metropolitan Bank, Limited.....	190,588	192,981	2,348	..	None	None	..	—
Union Bank of London.....	1,395,000	The same	..	..	450,000	411,000	..	39,000
Seven Metropolitan Banks							164,820	50,500

METROPOLITAN AND PROVINCIAL BANKS.

Consolidated Bank.....	800,000	The same	..	..	120,000	135,000	15,000	—
Hamphshire Banking Company.....	150,000	200,000	50,000	..	40,000	100,000	60,000	—
London and County Banking Company.....	1,423,790	1,499,970	76,180	..	636,896	699,985	63,090	—
London and Provincial Bank, Limited	135,400	175,000	39,600	..	20,186	63,771	43,585	—
London and South Western Bank, Limited	166,180	180,000	13,820	..	12,000	20,126	8,126	—
National Provincial Bank of England	1,433,178	1,575,300	142,122	..	742,444	900,000	157,556	—
Six Metropolitan and Provincial Banks.....			321,722				347,357	

PROVINCIAL BANKS.

	Paid-up Capital as stated in 1876.	Paid-up Capital as stated in 1876.	Increase in 1876.	Decrease in 1876.	Reserve Fund as stated in 1876.	Reserve Fund as stated in 1876.	Increase in 1876.	Decrease in 1876.
Seventy-three Provincial Banks	..	..	£ 568,847	£ 110,876	..	..	£ 573,891	£ 110,876

SUMMARY.

METROPOLITAN BANKS.		Brought forward	£785,747
Increase in Capital	£2,348	PROVINCIAL BANKS.	
Increase in Reserve Funds	164,820	Increase in Capital.. ..	£568,847
		Increase in Reserve Funds	573,891
			£1,142,738
Deduct Decrease in Reserve Funds	£167,168	Deduct Decrease in Reserve Funds	110,876
Net Increase in Metropolitan Banking Capital	£116,668	Net Increase in Provincial Banking Capital	1,031,863
METROPOLITAN AND SUBURBAN BANKS.			
Increase in Capital.. ..	£321,722		
Increase in Reserve Funds	347,357		
Net Increase in Metropolitan and Sub-urban Banking Capital.. ..	£669,079	Net Increase in Banking Capital—England and Wales.. ..	£1,817,610
			£785,747

JOINT STOCK BANKS.—ISLE OF MAN.

WHICH HAVE STATED AN ALTERATION IN CAPITAL IN 1876.

Name of Bank.	Paid-up Capital as stated in 1876.	Paid-up Capital as stated in 1876.	Increase in 1876.	Decrease in 1876.	Reserve Fund as stated in 1876.	Reserve Fund as stated in 1876.	Increase in 1876.	Decrease in 1876.
	£	£	£	£	£	£	£	£
Dumbell's Banking Company, Limited	35,000	36,900	1,900	None	1,050	1,050	1,050	—
Isle of Man Banking Company, Limited	24,000	The same	..	..	17,000	20,500	3,500	—
							<u>4,550</u>	

JOINT STOCK BANKS.—SCOTLAND.

WHICH HAVE STATED AN ALTERATION IN CAPITAL IN 1876.

	Paid-up Capital as stated in 1876.	Paid-up Capital as stated in 1876.	Increase in 1876.	Decrease in 1876.	Reserve Fund as stated in 1876.	Reserve Fund as stated in 1876.	Increase in 1876.	Decrease in 1876.
	£	£	£	£	£	£	£	£
Bank of Scotland	1,000,000	1,250,000	250,000	None	386,000	410,000	25,000	—
Commercial Bank of Scotland	1,000,000	The same	..	..	407,294	413,008	5,712	—
National Bank of Scotland	1,000,000	Do.	..	..	400,000	410,000	10,000	—
North of Scotland Banking Company	388,176	393,280	5,104	..	192,658	The same	..	—
Union Bank of Scotland	1,000,000	The same	..	..	387,000	300,000	..	87,000
			<u>255,104</u>				<u>40,712</u>	

JOINT STOCK BANKS.—IRELAND.

WHICH HAVE STATED AN ALTERATION IN CAPITAL IN 1876.

Name of Bank.	Paid-up Capital as stated in 1876.	Paid-up Capital as stated in 1876.	Increase in 1876.	Decrease in 1876.	Reserve Fund as stated in 1876.	Reserve Fund as stated in 1876.	Increase in 1876.	Decrease in 1876.
Belfast Banking Company	£ 250,000	£ The same	£ ..	£ None	£ 207,432	£ 196,080	£ 11,352	£ —
National Bank	1,500,000	Do.	..	..	80,000	150,000	..	70,000
Northern Banking Company	300,000	Do.	..	..	125,000	175,000	..	50,000
Provincial Bank of Ireland	540,000	Do.	..	..	197,318	213,255	..	15,937
Net decrease in Reserve Funds.....	..	..	..	..	..	..	..	135,937
								11,352
								124,585

THE HAMPSHIRE AND NORTH WILTS BANK AND THE CLEARING HOUSE.

It is stated that the Hampshire and North Wilts Banking Company has recently made an application for admission to the Clearing House, and that the application was declined by the Committee. As a London bank the new applicant for this privilege is a bank of no long standing, for it is by far the most modern of metropolitan banks, but as provincial banks, both the Hampshire Banking Company, founded in 1834, and the North Wilts Banking Company, founded in 1835, have existed and carried on business successfully for as long as most, or as any, of their Joint Stock competitors, either in the metropolis or out of it. It appears to be, although no adequate reason can be given for it, the general policy both of English law and of English custom, to endeavour to prevent the provincial banks of this country from making their way to the metropolis. Both "jointly and severally" the amalgamating banks have had to pay a heavy price for becoming a London bank. The action of the legislature requires the North Wilts Banking Company to forfeit its note circulation. The advantage of issuing nearly £64,000 of notes has to be foregone by it as "smart money" for the power of opening an office in Threadneedle Street; and the privilege of admission to the Clearing House is denied to the newly-formed bank by the action of the Committee of that institution. It is open to any Scotch bank to establish an office in London without incurring the first-named disability, and since the Bank of Scotland, the National Bank of Scotland, the Royal Bank of Scotland, are now well established as metropolitan banks, it is quite possible that they may before long follow the example of the Hampshire and North Wilts Bank, and request permission to share the advantages of the Clearing House. Besides the Scotch banks, the Central Bank of London (not to mention other banks established partly in the provinces, partly in London) may not be unlikely to desire to have the same privilege extended to them. It is now nearly a quarter of a century since joint stock banks were first admitted to the Clearing House. The volumes of this magazine about that period contain a record of the progress which that question gradually made, of the opposition it encountered, and finally overcame. At one time it is stated two banks only of those then belonging to the Clearing House voted in favour of the concession—at a later date ten were found to support the proposition, while thirteen still rejected it. Thus the question as to admitting the joint stock banks slowly made its way; and shortly

after the last fact was noted the concession was granted. As a considerable time elapsed after the question of admitting the joint stock banks was first mooted, before the privilege of entry was allowed them, it is quite possible that the banks now outside the Clearing House may have to wait some little time before the doors are opened to them, but when the great additions which have gradually been made to the numbers of the joint stock banks first admitted to the Clearing House are considered, there seems no reason to doubt that a solution of the difficulty will, before long, be attained. It would be highly impolitic to encourage in any way the growth of "mushroom" banks, but there seems no reason why equal privileges should not be allowed to all respectable and well-grounded institutions.

DIVISION OF COMMISSIONS.

THE subject of the division of commissions in stock and share transactions has been lately brought very prominently before the public in the "*Times*." It should be remembered that there is a very material difference between the case of commissions divided between bankers and stock-brokers, and the other instances referred to. The banker gives a very distinct and important *quid pro quo* for the portion of the commission which he receives, as he guarantees the due performance of the transaction. A customer of a bank, making a purchase or a sale of stock or shares through the instrumentality of his banker, looks to the bank, not to the broker, for the completion of the transaction. Should the broker fail, the banker must make the loss good whatever it may be. And since the customer is charged no more than he would be if he went to the broker direct, it cannot be said that he is prejudiced in any way, while, on the other hand, he has an important service done to him, in the guarantee of the due conduct of his business.

STOPPAGE OF THE BALA BANKING COMPANY, LIMITED.

THE Bala Banking Company, which carried on business at Bala, Corwen, and Dolgelly, in North Wales, closed its doors on 20th December, 1876.

It commenced business in 1864. The subscribed capital was in round numbers £18,000, of which £9,000 had been called up. It had a reserve fund of £6,000, and the deposits at the time of the failure amounted to £100,000.

In the third week of December, 1876, a firm in Liverpool, to

whom the bank had imprudently made large advances, stopped payment, and the directors of the bank finding that, on that firm's account alone, they had lost the whole of their capital and reserve fund, resolved to suspend payment.

The Bala bank had been in the habit of allowing a high rate of interest on deposits, even while the bank rate of discount stood so low as 2 per cent., and the market rate much lower. The usual result followed: the directors, in order to pay a dividend (the last declared was £10 per cent.), had to invest funds in securities which would yield a high rate of interest, but were utterly unavailable as banking securities, whereas if the market deposit rate of interest only had been allowed, the money could have been invested in securities which would have been readily convertible, the bank need not have stopped payment, the shareholders need not have lost their capital, which, in some cases, was their all, and the deposits of their customers need not have been placed in peril.

An extraordinary meeting of the shareholders was held at Bala on 9th January, 1877, when resolutions were passed appointing Mr. Richard Jones, chairman of the directors, and Mr. John Ellis Edwards, public accountant of Chester, the liquidators, and recommending that an arrangement be made, if possible, with the North and South Wales Bank for the transfer to them of the goodwill and business of the Bala bank.

We understand that the North and South Wales Bank, after a full investigation into the Bala bank's business, have entered into a provisional agreement which provides that they will advance to the liquidators a sum sufficient to pay the Bala bank depositors in full; and the directors of the Bala bank and their friends have given their personal guarantees against a possible deficiency arising through the Bala bank's assets (including of course the uncalled capital) not realizing sufficient to recoup the North and South Wales Bank.

This agreement now awaits confirmation by the Court of Chancery, which confirmation, we have no reason to doubt, will be obtained in due course.

We cannot but regard the arrangement as eminently satisfactory. It is creditable to both parties concerned, and if carried out will prove a boon to a large body of the public whose money is now locked up in the Bala bank.

MR. EDWARD ATKINSON:

LAST month we noticed the proceedings at a meeting of the friends of Mr. Atkinson assembled for the purpose of presenting that gentleman with a testimonial on the occasion of his retirement from the general managership of the National Provincial Bank of England. Mr. Atkinson was associated for many years

in his official duties with the late Daniel Robertson. In a notice of Mr. Robertson which appeared in our columns on the occasion of his retirement in 1863, he is described as one of the pioneers of joint stock banking in England. Mr. Atkinson also belongs to a class of bank officials who, from their great and lengthened experience, must have been familiar with joint stock banking when only emerging from its infancy, and beginning to develop its powers in this country. Men of this class are necessarily becoming rarer year by year. We therefore avail ourselves of the language of a speaker at the meeting above referred to for the purpose of giving our readers a brief sketch of Mr. Atkinson's banking career and character.

"We are met to-night on an occasion of unusual interest. It is the fashion in some quarters to suppose that members of the banking profession have little that attracts them beyond day-book and ledger, or the counting of mammon's yellow heaps. But we now witness what may be called the poetry of banking. A good knight and true, who has stood erect on a slippery field for more than forty years, to-night retires from it; and we gather round to congratulate him as he carries off his shield without a stain upon it.

"Mr. Atkinson is, as you know, a native of Scotland (though his father was of English birth), and was trained for his profession in one of the large Scottish banking establishments. The meeting is, no doubt, aware of the instinct with which Scottish youths, turning their backs on their own romantic country, direct their steps towards the south of the Tweed. Mr. Atkinson was no exception to this rule, and shortly after the National Provincial Bank of England was established he applied for an appointment in it. Looking the other day at some old papers dated more than forty years ago, I came upon the report on his application. It stated—'He may be thought of for an accountancy.' We this day see a little further into futurity than the writer of that report was able to do. Mr. Atkinson has not only done for an accountancy, but has done, and done well, for the general managerahip of a banking establishment second in importance to no other joint stock institution in the kingdom.

"Mr. Atkinson was first nominated to what may be called the pre-historic branch of Castle Carey. It was opened only for a short time, and has long ceased to exist, or to be remembered by any save the antiquarians of the bank. I have known in my day young men who would have pined and fretted at their powers being left, as they considered, to grow waste in so obscure a field of action as Castle Carey. But Mr. Atkinson did not act thus. He performed faithfully and conscientiously all that was entrusted to him, and ere long a messenger named 'Fair Opportunity' (whose acquaintance I recommend young officers to cultivate) knocked at his door, and said, 'Come up higher.' The inspectorship of branches was vacant, and the talent Mr. Atkinson had shown in his post, limited as its scope was, summoned him to this higher appointment.

"For many years Mr. Atkinson fulfilled the duties of Chief Inspector, combining both high efficiency and great kindness. To many, this statement will appear as contradictory as if a chemist were to advertise sweet bitter aloes. Yet Mr. Atkinson reconciled the apparent paradox. In the comparatively rare cases of fraud which occurred, the man without guile

was ever more than a match for the man with guile. While his lynx-eyed glance was swift to detect an evil doer, he was ever the kind and considerate friend of the loyal-hearted officer. It required to be indeed a complicated difficulty if it was beyond the power of Mr. Atkinson to unravel it. Many a debt that was looking doubtful his skill rendered good. Then he had always the loving word with which to soothe the ruffled feelings of some country manager, smarting, perhaps, under a departmental correspondence, which however well meant, was not always written on velvet paper or in rose-water ink. To the younger officers, especially, he was ever an encourager. It is very pleasing to find some of our managers writing that he was the first Inspector they ever met when they were apprentices or clerks, and that his kindness and advice left an impression on them, not yet obliterated by the lapse of years.

"Ere long, opportunity again called for Mr. Atkinson to come up higher still, and fill the post of Joint General Manager. It is not for me to say how well he discharged its duties, succeeding as he did his predecessor, Daniel Robertson, a giant in the banking world, and associated, as he was, with able coadjutors, Mr. Alexander Robertson and Mr. William Holt. If his administration put more sail on the ship, it at all events took care to steady the vessel well with the ballast of reserves and securities; and if it compelled our shareholders to buy larger bags to hold their increased dividends, it never did anything to imperil that venerable institution, the *Bonus*, so deeply interesting to all the officers before me.†

"Speaking of him from personal experience I can conscientiously say that I have ever found him a model of diligence; punctual to a degree that was sometimes distressing to myself, easy of access, carrying his high position with humility, solving all difficulties with readiness, listening to the younger officers with patience, slow to have recourse to extremities when milder remedies would answer, inflexibly just, and disarming perplexities in business by the mildness and placidity with which he met them. In a profession, indeed, generally considered as having a tendency to make men grasping, Mr. Atkinson,—instead of being the 'Mr. Screw,' or 'Mr. Gripe,' who sit in fiction for the type of the hard-hearted banker—has given us, as our respected chairman truly said at one of our annual meetings, an example of self abnegation. He has indeed served himself last.

"Forty years have passed away, like a summer day, and now his official career has come to an end. He has laid aside that pen, which from London to Japan, could have any sum of money paid down, on affixing his signature to a document. In the far East of India, in the remote West of America, in the distant Continent of Australia, in every city of Europe, that signature was respected. But it is a higher tribute to his pen, to be able to say that as General Manager, it never signed a statement that was inconsistent with truth, honour, or integrity. It is no school-boy platitude to say that it is this circumstance which gives the proceedings of to-day their true significance. When life's evening star begins to appear in our sky, no testimonial is of any worth, unless conscience endorses it. It is not for us to lift the veil that conceals the private feelings of the heart; but in this case we may well believe that that endorsement is given, for it is not possible to have come much in contact with Mr. Atkinson, without

† NOTE.—A bonus of ten per cent. on the salaries of the officers of the bank has for many years been allowed by the Directors.

believing that the basis of his character has been, that amid things visible, he has remembered One who is invisible.

"So far it has been all praise. It is needful, however, that I should stop and point out one error, as some will consider, into which Mr. Atkinson has fallen. He has remained through life a bachelor. He has no wife therefore to say as she sees Mr. Macbeth's faithful likeness, 'There sits my husband,' nor to feel, as she looks at Messrs. Elkington's beautiful service of plate, her matronly eye kindle with a new pleasure. We congratulate therefore ourselves that Mr. Atkinson has the next best thing to a good wife in his affectionate niece Miss Habbishaw, who has watched over her uncle in the past with the loving devotedness of a daughter, and to whom the gold locket presented to her to-day will whisper—'Take care of the portrait, but especially for our sakes, take care of the original.'

"And now it but remains for us to say farewell. May all felicity crown his years of repose from labour; and as he takes those country excursions, of which he is so fond, and for which he will now have ampler leisure, may he see around him in the smiling corn-field, in the swelling sail of commerce, and in the revolving wheel of the manufactory, evidences of the material prosperity to which his banking skill has contributed. May he see the establishment he has left growing in usefulness and prosperity a monetary and a moral force in the community, and our directors, officers, clerks, and even our faithful messengers all working in concord for one common aim.

"I am sure thus wishes the present company; so wish those honourable directors whom it is our happiness to serve; so wish also the great body of country officers unavoidably absent to-day, and their wives and families to so many of whom Mr. Atkinson is personally known. The same wish too is taken up by the shareholders and re-echoed by our large body of customers. All health and true happiness to Mr. Atkinson in his honourably-won retirement."

STATISTICS OF FAILURES AND ISSUES OF NEW CAPITAL.

The following statistics of failures and of new issues of capital are taken from the *Times*, January 1st:—

"We have been favoured by Mr. Richard Seyd, F.S.S., with the subjoined statistics with reference to the mercantile failures in the United Kingdom during the year, which, as regards business, closes to-day.* The total number of failures is given for each year from 1865 to 1876 inclusive, and likewise a comparative analysis of the failures in the different branches of trade for the five years from 1872 to 1876:—"

"The number of failures in the financial, wholesale, and manufacturing branches of trade during 1876 have been 2,056. Of these there were—In London, 557; in Liverpool, 87; Manchester, 128; Lancashire, 90; Yorkshire (excluding Middlesbrough and Hull), 287; Birmingham and Midland Iron District, 182; Newcastle, Middlesbrough, Hull and District, 86; Bristol Cardiff, Newport, and Swansea, 90; rest of England, 379; Scotland, 133, Ireland, 37.

"The total failures in 1865 were 1,450; 1866, 1,610; 1867, 1,564; 1868, 2,145; 1869, 2,315; 1870, 1,351; 1871, 1,122; 1872, 1,326; 1873, 1,745; 1874, 1,751; 1875, 1,720; 1876, 2,065.

* *Times City Article*, 31st December, 1876.

"During the last five years—from 1872 to 1876—the various branches of wholesale commerce show the following proportions of failures :—

	1872.	1873.	1874.	1875.	1876.
Agents, commission, yarn, &c.	126	177	138	75	192
Bankers, joint-stock banks, and foreign bankers	2	5	5	3	2
Boots and shoes	44	112	91	80	116
Brewers	6	18	17	21	23
Cigars and tobacco	11	13	4	8	12
Cement, asphalt	3	1	6	—	6
Coals	41	28	65	97	147
Contractors	16	20	37	16	44
Cornmen and millers	59	54	72	63	62
Cotton and colonial brokers	8	21	8	20	15
Cotton spinners and manufacturers	36	44	20	31	42
Curriers, tanners, and leathermen	18	27	33	30	48
Discount and bill brokers	1	5	—	3	4
Druggists, wholesale and manufacturing chymists	12	17	19	25	20
Drysalts, oil and colour manufacturers	52	62	53	39	44
Dyers, bleachers, and finishers	14	27	27	28	28
Electro platers	3	4	6	5	6
Engineers, founders, iron, metal, and hardware manufacturers and merchants	159	179	223	235	243
Financial Agents	1	6	12	3	12
Glass, lead, and earthenware	16	17	20	13	23
Gunpowder	1	—	—	—	—
Hats, caps, straw hats	19	17	23	12	23
Hops	5	4	2	2	5
Wholesale jewellers	21	24	25	31	55
Manufacturers and merchants of woollens, worsted, elastics, silks, hosiery, stuffs, &c.	123	180	194	192	151
Merchants	164	228	208	247	216
Provisions	39	38	37	59	58
Rope, sails, &c.	7	16	15	16	21
Shipbrokers and owners	28	31	39	49	42
Shipbuilders	7	8	12	3	10
Stationers, wholesale paper manufacturers, &c.	23	20	35	15	37
Sugar refiners	—	1	—	—	—
Tea, coffee, and groceries	23	26	26	13	23
Timber	34	27	27	41	47
Warehousemen, importers of foreign goods, &c.	83	129	117	110	136
Wines and spirits	94	106	87	121	128
Woolstaplers and merchants	11	13	23	8	15
Woollen and cotton waste	16	40	25	12	33
	1,326	745	1,751	1,736	2,065

"We have been favoured by Messrs. Spackman and Sons, of 3 and 4, Great Winchester-street-buildings, Old Broad-street, with the following statistics relating to the new companies and foreign loans brought out during the past year; also an account showing the new issues of capital by companies previously existing and the fluctuations in the value of money. From the figures given it will be seen that the capital required by companies has been extremely

insignificant, and that all enterprise in that direction is for the time completely paralyzed:—”

NEW JOINT-STOCK COMPANIES BROUGHT OUT DURING THE YEAR ENDING
DECEMBER 31, 1876.

Name of Company.	Capital authorised.	Capital offered.	Amount of share.	Deposit.	Total Deposit.
	£	£	£ s. d.	£ s. d.	£
Associated Home Company (lim.)	50,000	50,000	5 0 0	2 0 0	20,000
Auto-Pneumatic Gas Machine (lim.)	50,000	45,000	5 0 0	1 0 0	9,000
Bayswater Club & Skating Rink (lim.)	20,000	20,000	5 0 0	2 0 0	8,000
Ben Rhydding Hydropathic Establishment (lim.)	80,000	50,000	10 0 0	4 0 0	20,000
Birmingham Roller Skate & Rink (lim.)	50,000	50,000	5 0 0	2 10 0	25,000
Bodidris Mining (lim.)	30,000	30,000	1 0 0	1 0 0	30,000
Brighton Livery Stables (lim.)..	50,000	50,000	5 0 0	2 0 0	20,000
British and Colonial Trust Corporation (lim.)	750,000	250,000	20 0 0	5 0 0	62,500
Cheltenham Imperial Winter Garden & Skating Rink (lim.)	20,000	20,000	10 0 0	2 10 0	5,000
Check Bank (lim.)	200,000	100,000	10 0 0	2 0 0	20,000
	—	100,000	100 0 0	100 0 0	100,000
Chloralum (lim.)	50,000	25,000	5 0 0	3 0 0	15,000
City of London Marine Assurance (lim.)	500,000	250,000	5 0 0	1 0 0	50,000
Clevedon Royal Hotel (lim.) ..	4,000	4,000	10 0 0	5 0 0	2,000
Cleveland Extension Mineral Railway	154,000	154,000	10 0 0	3 0 0	46,200
Consolidated Fire Insurance (lim.)	1,000,000	100,000	5 0 0	2 0 0	40,000
Co-operative Residential Club (lim.)	200,000	20,000	5 0 0	3 0 0	12,000
Corticine Floor Covering (lim.)	150,000	150,000	10 0 0	3 10 0	52,500
Dartmoor United China Clay Works (lim.) ..	40,000	30,000	10 0 0	5 0 0	15,000
E. London Brewery (lim.)	25,000	25,000	5 0 0	3 0 0	15,000

NEW JOINT-STOCK COMPANIES—*continued.*

Name of Company.	Capital authorised.	Capital offered.	Amount of Share.	Deposit.	Total Deposit.
	£	£	£ s. d.	£ s. d.	£
English Channel Steamship (lim.)	250,000	150,000	10 0 0	3 0 0	45,000
Farmers' Malt Oake (lim.)....	60,000	60,000	10 0 0	3 0 0	18,000
Forest of Dean Coal & Brick (lim.)	200,000	10,000	5 0 0	2 0 0	4,000
Freshwater, Yarmouth, & Newport Railway ..	130,000	130,000	10 0 0	6 0 0	78,000
General Meat Co-operative Supply Association (lim.)	75,000	75,000	1 0 0	1 0 0	75,000
Hammersmith Town-hall (lim.)	16,000	16,000	5 0 0	5 0 0	16,000
Hands and Son (lim.)	40,000	40,000	5 0 0	2 0 0	16,000
Hanson's Sewage (lim.)	50,000	50,000	10 0 0	2 0 0	10,000
Imperial Hotel & Skating Rink (lim.)	32,000	32,000	5 0 0	5 0 0	32,000
James Allan and Co. (lim.)	100,000	100,000	10 0 0	4 0 0	40,000
Johnson's Saccharum (lim.)	250,000	150,000	10 0 0	2 0 0	30,000
Langham Hotel Co. of Dublin (lim.)	60,000	60,000	10 0 0	2 10 0	15,000
Langham Skating Rink (lim.)	75,000	75,000	5 0 0	3 0 0	45,000
Licensed Victuallers' & General Fire and Plate Glass Insurance (lim.)	1,000,000	1,000,000	5 0 0	2 10 0	500,000
London Cooperage (lim.)	50,000	44,000	5 0 0	2 0 0	17,600
London General Cab (lim.)	500,000	100,000	10 0 0	2 10 0	25,000
Manley Palace & Park (lim.)....	120,000	120,000	5 0 0	3 0 0	66,000
Merchants' Steamship (lim.)	100,000	100,000	10 0 0	2 0 0	20,000
Metropolitan & Brighton Railway	2,100,000	2,100,000	20 0 0	1 0 0	105,000
Metropolitan Rink Association (lim.)	10,000	10,000	20 0 0	10 0 0	5,000

NEW JOINT-STOCK COMPANIES—continued.

Name of Company.	Capital authorized.	Capital offered.	Amount of Share.	Deposit.	Total Deposit.
	£	£	£ s. d.	£ s. d.	£
Mineral and Aerated Waters (lim.)	5,000	5,000	1 0 0	0 10 0	2,500
National Bank of Paraguay (lim.)	300,000	150,000	10 0 0	2 0 0	30,000
National Co-operative Builders' & Contractors' Society (lim.) ..	100,000	100,000	1 0 0	1 0 0	100,000
New Cwm-Elan Lead Mining (lim.)	6,000	6,000	5 0 0	1 10 0	1,800
North Dublin Street Tramways	40,000	40,000	10 0 0	2 0 0	8,000
Perry and Co. (lim.)	500,000	250,000	10 0 0	5 0 0	125,000
Portland Street Warehouse (lim.)	400,000	300,000	10 0 0	3 0 0	90,000
Romford Canal ..	80,000	80,000	10 0 0	4 0 0	32,000
Sadler's Wells Skating Rink & Winter Garden (lim.)	25,000	25,000	5 0 0	2 0 0	10,000
Salvage Steamship (lim.)	50,000	25,000	10 0 0	5 0 0	12,500
Sea Insurance (lim.)	500,000	500,000	10 0 0	2 0 0	100,000
Thames Steam Ferry (lim.) ..	100,000	100,000	10 0 0	3 0 0	30,000
Thomas Wingate and Co. (lim.) ..	300,000	300,000	20 0 0	4 0 0	60,000
United Services Mutual Co-operative (lim.) ..	100,000	100,000	2 0 0	1 0 0	50,000
Warburg's Fever Tincture (lim.) ..	10,000	5,000	5 0 0	2 10 0	2,500
Waterlow and Sons (lim.)	400,000	400,000	100 0 0	100 0 0	400,000
West Coast of America Telegraph (lim.) ..	450,000	150,000	10 0 0	5 0 0	75,000
West Milur Silver Lead Mining (lim.) ..	50,000	50,000	1 0 0	0 5 0	12,500
Total	£11,877,000	£8,531,000			£2,871,600

ANALYSIS.

	No. of Companies.	Capital authorized.	Capital offered.	Deposits.
		£	£	£
Manufacturing and trading..	23	3,355,000	2,444,000	1,214,100
Insurance	4	3,000,000	1,850,000	690,000
Investment	1	750,000	250,000	62,500
Banks	2	500,000	350,000	150,000
Railway	3	2,384,000	2,384,000	229,200
Shipping	4	500,000	375,000	107,500
Hotel	3	96,000	96,000	49,000
Telegraph	1	450,000	150,000	75,000
Mining.. .. .	3	86,000	86,000	44,300
Tramway	1	40,000	40,000	8,000
Miscellaneous	12	716,000	506,000	242,000
Total	57	£11,877,000	£8,531,000	£2,871,600

NEW ISSUES IN 1876 BY COMPANIES PREVIOUSLY EXISTING.

NAME.	Capital Offered.	Number of Shares or Bonds.	Amount of Share or Bond.	Called up.	
				Per Cent.	Amount.
Albany and Sus- quehanna Rail.	£ 200,000	—	Stock	All	£ 200,000
Alexandra Palace (lim.)	450,000	—	Stock	All	450,000
Association of Ld. Financiers (lim.)	100,000	—	Stock	92½	92,500
Association of Ld. Financiers (lim.)	56,000	—	Stock	All	55,000
Association of Ld. Financiers (lim.)	500,000	—	Stock	92½	462,500
Eastn. Telegraph (lim.)	700,000	70,000	£10	40	280,000
House Property and Investment (lim.)	100,000	4,000	25	£6 p.shr.	24,000
Illinois Central Railroad	200,000	—	Stock	96	192,000
Llynvi, Tondy, & Ogmore Coal & Iron (lim.)	150,000	—	Stock	All	150,000
Maritime Passen- gers & Mariners Insurance (lim.)	50,000	50,000	1	75	37,500
N. Zealand Trust and Loan (lim.)	250,000	10,000	25	All	250,000
Pennsylvania Rail- road	600,000	—	Stock	90	540,000
People's Gas Light and Coke Com- pany of Chicago	500,000	—	Stock	80	400,000

Statistics of Failures and Issues of New Capital. 97

NEW ISSUES IN 1876 BY COMPANIES PREVIOUSLY EXISTING—*continued.*

NAME.	Capital Offered.	Number of Shares or Bonds.	Amount of Share or Bond.	Called up.	
				Per Cent.	Amount.
Philadelphia and Reading Rail..	£ 2,000,000	—	Stock	93½	£ 1,870,000
St. Lawrence and Ottawa Rail ..	150,000	—	Stock	90	135,000
StudCompy. (lim.)	40,000	2,000	20	All	40,000
Tasmanian Main Line Railway..	50,000	—	Stock	75	37,500
Utica, Ithaca, and Elmira Railrd.	300,000	—	Stock	92½	277,500
Wye Valley Rlwy.	105,000	—	Stock	50	52,500
	<u>£6,501,000</u>				<u>£5,547,000</u>

ANALYSIS.

	Capital.	Capital called up.
Railways	£3,605,000	£3,304,500
Building	1,105,000	1,061,000
Telegraph	700,000	280,000
Gas	500,000	400,000
Investment	350,000	274,000
Manufacturing and trading	190,000	190,000
Insurance	50,000	37,500
Total	£6,501,000	£5,547,000

FOREIGN LOANS, 1876.

Loan.	Issue Price	Amount of Stock.	Paid up.
		£	£
Chinese 8 per cent.	100	274,915	274,915
Norwegian 4½ per cent.	96½	1,320,000	1,273,800
Swedish 4½ per cent.	96½	2,000,000	1,920,000
United States 4½ per cent.*	103½	—	—
Total		3,594,915	3,468,715

“Statement showing the fluctuation in the value of money during the year 1876, amount of bullion held by the Bank of England,

*\$300,000,000 to cancel an equal amount of 5-20 bonds now existing.

notes in circulation and reserve, and price of consols at date of each alteration of Bank rate of discount:—”

Minimum Bank Rate of Discount.	Bullion held by the Bank.	Notes held by the Public.	Reserve of Notes.	Price of Consols.
	\$	\$	\$	
*January 1	21,003,965	27,525,155	8,478,810	93½ 94½
January 6, 5 per cent. ..	20,536,845	28,083,520	7,453,325	93½ 94½
January 27, 4 per cent. ..	21,388,715	26,766,585	9,622,130	94½ 95½
March 23, 3½ per cent. ..	23,719,412	26,177,710	12,541,705	94½ 95½
April 6, 3 per cent. ..	24,465,100	27,478,700	11,986,400	94½ 95½
April 20, 2 per cent. ...	25,042,890	27,456,570	12,586,320	94½ 95½

Banking and Commercial Law.

AGENCY—(EXECUTION OF AUTHORITY.)

IN THE CASE OF BILLS OF EXCHANGE AND PROMISSORY NOTES.

IN *Childs v. Monins* (2 Brod. & Bing 460), 1821, the Court of Common Pleas held the makers of the following promissory note personally liable :

“As executors to the late _____, we severally and jointly promise to pay to _____ the sum of _____ on demand, together with lawful interest for the same.

“ J. M. }
“ P. B. } Executors.”

Dallas, C. J., suggested that they might have limited this liability by adding the words. “out of the estate of T.,” to the words “as executors.”

In *Sowerby v. Butcher* (4 Tyr. 320), 1834, a bill was drawn on the consignees of a cargo of coals, shipped by the broker, who had effected the purchase at Newcastle. That bill was returned to the payees, the coal owners, unaccepted, on account of the date being too short. The payees prepared another bill at a longer date. They did so, and sent it to the counting-house of the broker for his signature. Meantime he had left the place in pecuniary difficulties, and his brother, the defendant, had come to the counting-house to investigate his affairs. The defendant, in the absence of his brother, and at the request and for the convenience of the plaintiffs, signed the bill as drawn

* Bank Rate stood at 4 per cent. from December 30, 1875.

without qualification of his liability. At the trial Lord Lyndhurst, C.B., refused to nonsuit the plaintiff, but gave leave to enter a nonsuit. The rule was afterwards discharged.

Bayley, B., thought "there was in this case no question for the jury whether value had passed from the plaintiff to the defendant for the bill, . . . we cannot say there was no consideration for so signing it. If drawn to accommodate any person, it was drawn not for the accommodation of the plaintiff, but of Rt. Butcher. The plaintiffs had supplied goods consigned to D. & Co., for which R. Butcher was liable, and for which he drew a bill on the consignees which made him responsible as drawer, if they did not pay. The bill was returned unaccepted; the plaintiffs then had a right to sue R. Butcher for not procuring D.'s acceptance, or to have a new bill from him. They elected a new bill at a longer date. . . . On application at Rt. B.'s counting-house, they saw the defendant, and on his stating his brother R.'s absence, requested him to sign the bill as drawer. It was then in his discretion to sign the bill or not, and if he signed it, he might state on the face of it that he did so as agent for Rt. B., or have signed it by procuration R. B., John Butcher. . . . It is no answer to say that he had no consideration for binding himself personally, if he has professed to do so." The debt of a third person is a good consideration for which a man may bind himself by giving a bill of exchange: (*Popplewell v. Wilson*, Stra. 264.)

In *Rew v. Pettit* (1 A. & E. 196, affirmed 3 N. & M. 457), 1834, a parish vestry resolved to borrow money from H. N., who advanced it, and took promissory notes for the amount made by P. W. and F., who were churchwardens and overseers. The notes were in the ordinary form, except that they were signed by the defendants as "churchwardens and overseers." The question of personal liability was only a collateral issue. The makers of the note were held to be personally liable.

Though an acceptor may purport to accept in some manner limiting his personal liability, he becomes liable personally upon his acceptance. He cannot vary or limit his liability on the contract; by his acceptance of the bill which is addressed to him, it becomes his contract, and words of mere description or qualification are not enough, according to the usage of merchants, to exonerate him. . . . Bills of exchange are all drawn on the intended acceptor in a personal character, and if he accept them he must be held to have done so in that character, and will be held liable, no matter what words of mere description are added to his name: (Per Kelly, C. B., in *Alexander v. Sizer*, *infra*.)

In *Teague v. Hubbard* (8 B. & C. 345), a member of a Cornish Tin Smelting Company was employed by the company as their agent to sell goods, receiving a commission for his trouble. W. having sold goods on account of the company, he drew on the purchaser a bill of exchange, payable to his (the drawer's) own order, and after it had been accepted he indorsed it to the actuary of the company, and the latter indorsed it to another member, who was the managing director, and who purchased goods for the company; the company being then indebted to him in a larger amount than the sum mentioned in the bill. The acceptor having become insolvent before the bill became due, the drawer received from him 10s. in the pound upon the amount of the bill by way of composition, and the court held that the indorsee, being a member of the company, could not sue the drawer of the bill, inasmuch as it was drawn by the latter on account of the company; and that he could not recover the sum received by the drawer on the bill, because that money must be taken to have been received by him in his character of a member of the company, and not on his own account.

"Pay to my order the sum of for value received.

"To the Great Snowdon Mountain Copper Mining

"Accepted, payable at Messrs. Barclay, Bevan & Co.

"J. MACDONALD, } Directors of the
"ROB. CHARLES, } Great, &c., Co.
"D. B. CROSBIE, Secretary."

In the Court of Appeal the case turned entirely upon the

construction of the 47th section of the Companies Act, 1862, which enacts that "a promissory note or bill of exchange shall be deemed to have been made, accepted, or indorsed in the name of the company by any person acting under the authority of the company; or if made, accepted, or indorsed by or on behalf, or on account of the company, by any person acting under the authority of the company." It was admitted as a matter of fact that the directors had authority to accept the bill.

"In the 45th section of the prior Act" (7 & 8 Vict. c. 110), said the Master of the Rolls, "it is required not only that bills shall be accepted on behalf of the company, but also that it shall be by such directors expressed to be made or accepted by them on behalf of the company. But these words are left out in the later Act; in other words, they are repealed." To the same effect were the remarks of Chief Baron Kelly: "No terms need appear on the face of the acceptances implying that it is on behalf or by authority of the company. The bill shall bind the company if made by its authority or on its behalf." In other words, no statement of agency need appear on the face of the bill. The question is authority or no authority, and the fact may be proved by evidence, *dehors* the instrument. Referring evidently to an argument based on *Dutton v. Marsh* (L. Rep. 6 Q. B. 36; 24 L. T. Rep. N. S. 470; 40 L. J. 175, Q. B.), it was observed by Chief Baron Kelly, "A promissory note is a totally different thing from an acceptance of a bill of exchange." The latter incorporates in the acceptance the person on whom the bill is drawn. The appeal was dismissed.

AN INJUNCTION RESTRAINING A BANK FROM ACCEPTING A DRAUGHT IN FAVOUR OF A CUSTOMER.

Before Lords Justices JAMES, BAGGALLAY, and BRETT.

COURT OF APPEAL.

PEREIRE v. THE UNION BANK OF LONDON.

This was an appeal by the Union Bank of London, from an order made by Vice-Chancellor Malins, on the 14th of December last. The plaintiff is a manufacturer of sardines, in Spain, but resides in Paris. His case is, that one Dumas formerly acted as his agent, but ceased to do so in June, 1875. While he was acting as agent, Dumas sold some sardines on the plaintiff's behalf, to a M. de Aldecoa, of Manilla, for £334, but he had no authority to receive that sum from M. de Aldecoa. The plaintiff had ascertained that within the last few days M. de Aldecoa had endorsed to the order of Dumas a bill of exchange for £334, drawn by Messrs.

Smith, Bell, and Co., of Manilla, upon the Union Bank of London, and had sent the bill to Dumas in payment for the sardines. The plaintiff alleged that Dumas had no right to receive the money, and claimed an injunction to restrain the bank from accepting or parting with the bill. In answer to these statements the manager of the bank deposed, that the bank act as the London correspondents of Smith, Bell and Co., and that Smith, Bell, and Co. are in the habit of drawing on the bank against remittances, the bank accepting the draughts in due course, and paying them at maturity. On the 6th of October last, the bank received an advice from Smith, Bell, and Co., dated the 22nd of August last, stating that they had (*inter alia*) drawn on the bank on the 21st of August a bill for £334, to the order of Dumas at six months' sight, and requesting the bank to protect the same. The manager expressed his belief that this was the bill referred to by the plaintiff. Dumas had not been served with the writ. The Vice-Chancellor granted an injunction restraining the bank from accepting the bill, if it should be presented by Dumas, and also from parting with it if it should be presented by him, the plaintiff giving an undertaking as to damages. The bank appealed.

Mr. Everitt, on behalf of the bank, urged that they were mere agents for Smith, Bell, and Co., who were not parties to the action, and that serious injury would be done to their credit if the bill were returned to them unaccepted.

Mr. Romer, for the plaintiff, argued that the only way in which he could avoid losing his money was to endeavour to stop the acceptance of the bill; and no harm could be done to the bank by the limited injunction which had been granted, which would only affect the bank in case Dumas, who was not the rightful owner of the bill, should present it for acceptance. The second branch of the injunction could only operate if the bill was deposited with the bank; it would have no effect if it was merely presented at the counter. The plaintiff's London solicitors were willing to give the undertaking as to damages. If the bill was returned to Smith, Bell, and Co. unaccepted, their credit would not be injured, for they would be able to give a perfectly satisfactory explanation of the refusal to accept.

Lord Justice James was of opinion that the order could not be maintained. The bank were only acting under the orders of their correspondents, Smith, Bell, and Co., who had desired them to accept the bill, and had put them in funds for that purpose. It was impossible to say that an injunction of this kind, granted in the absence of Smith, Bell, and Co., who were not parties to the action, would be any justification to the bank for not accepting the bill; nor would it be right to expose Smith, Bell, and Co. to the risk of an action by Dumas, it being doubtful whether he was not the rightful owner of the bill. The writ, too, was entirely wrong, for Dumas was a foreigner out of the jurisdiction, and no leave had

been given to serve him. Nor could his lordship understand what power the plaintiff had to turn the officers of the bank into police officers or receivers, by ordering them to detain a bill which might be presented to them for acceptance.

Lord Justice Baggallay was entirely of the same opinion.

Lord Justice Brett also concurred. If it should turn out that Dumas was the rightful owner of the bill, and the bank should refuse to accept it, his lordship could not see that there would be anything, even if the injunction stood, to prevent Dumas from maintaining an action against Smith, Bell, and Co. At any rate, it would be very unjust to put them in such jeopardy. Moreover, if the bill was returned unaccepted, Dumas might at once protest it with a notary, and that would seriously affect the credit of Smith, Bell, and Co. until they could give an explanation. This would be very unjust to them. His lordship also agreed that no court in the kingdom had any right to turn the bank's officers into police officers.

The appeal was allowed, with costs.

COMMON PLEAS DIVISION.

(Sittings at Nisi Prius, at Guildhall, before Lord Chief Justice COLERIDGE and a Special Jury.)

THE AGRA BANK *v.* MACCALL.

THIS was an action against the defendant, late bank manager at Shanghai, charging him with misconduct in advancing money without sufficient care, and in allowing customers to overdraw their accounts, contrary to express instructions from the plaintiffs.

The Hon. A. Thesiger, Q.C., Mr. Holl, and Mr. Bremner were for the plaintiffs; Mr. Butt, Q.C., Mr. Marriott, and Mr. Walker were for the defendant.

Mr. Thesiger, in opening the case to the jury, said the charge was one of reckless disobedience to orders, whereby the plaintiffs had sustained a loss of something like £10,000. The learned counsel was proceeding to remark that the case must necessarily be a protracted one, as it involved reference to complicated accounts and much correspondence, when

His Lordship interposed and pointed out the difficulty of trying such an action.

A conversation then ensued between counsel, and in the end it was agreed that the case should be referred, it being understood that all charges against the defendant, except those of express disobedience, were withdrawn.

(Before Justices DENMAN and LINDLEY.)

STONE *v.* THE CITY AND COUNTY BANK (LIMITED).

THE plaintiff in this case sued to recover £500, which he had paid upon some shares in the defendants' company, the shares having

been taken directly from the company themselves. The plaintiff founded his action upon the allegation that he was induced to take the shares by false statements in a prospectus, report, and balance-sheet. In answer, the defendants stated that the documents referred to were "issued and published by the directors of the company and not otherwise." This statement was demurred to.—Mr. Chas. Russell, Q.C. (with him Mr. V. Williams), in support of the demurrer, submitted that the company was clearly liable, upon the decided cases for the acts of their directors.—Mr. Justice Denman: If done in their character of directors; but it was consistent with the statement of the defence that their act took place not in their board-room, but in an omnibus, or when travelling about the country, or at a public-house bar.—Mr. Russell, Q.C.: There was no pretence upon the facts for saying that the directors were not acting in their character of directors.—Mr. Southgate, Q.C. (with him Mr. Cohen, Q.C., and Mr. Wood Hill), said that he really appeared for the creditors of the company rather than for the company itself. The plaintiff having assented to a winding-up order, chose afterwards to bring this action, which was rather inconsistent.—The Court, after some discussion, were of opinion that the statement of the defence was indefinite, because it was not clear whether it was intended to say that the directors in issuing the documents had or not acted in their character of directors. This being so, it was not desirable that the statement should be rigidly construed upon demurrer, but that the demurrer should stand over until the issues of facts had been disposed of, each party having liberty to apply to amend.

YOKOHAMA—JAPAN.

*In the French Consular Court, before EMILE KRAETZER, Esq., Consul.
7th September, 1876.*

DENIAUD v. COMPTOIR D'ESCOMPTE DE PARIS.

THE plaintiff claimed the sum of \$1,307.81 the amount of a deposit made by him on the 19th Jan., 1876, and \$400 for damages accruing through the refusal of the bank to refund the deposit before the expiration of the term for which it was originally deposited. The plaintiff appeared personally. Mr. Vouillemont, manager of the Yokohama branch of the Comptoir d'Escompte, defended the bank.

Mr. Vouillemont put in a counter claim of 3,000 francs for damage done to the credit and reputation of the bank by the suit brought against it by the plaintiff.

The Court, sitting in the first instance, decided.

Considering that on the 19th January, 1876, Deniaud deposited with the Yokohama Branch of the Comptoir d'Escompte de Paris, at No. 58, the sum of \$1,307.81, as a deposit for one year bearing interest at the rate of $3\frac{1}{2}$ per cent., and that on that occasion a deposit receipt was given him, couched in the following terms:—

"No. A 231. Repayable on the 19th Jan., 1877. Received

from Monsieur Jules Deniaud the sum of thirteen hundred and seven dollars and eighty-one cents. as deposit for one year, at the rate of three and a-half per cent. per annum ($3\frac{1}{2}$ per cent). Yokohama, 19th January, 1876; in the Comptoir d'Escompte de Paris. (Signed) E. G. Vouillemont, director. (Signed) Simonet, cashier. (In the margin.) N.B.—No interest will be allowed on sums withdrawn before expiry. (Across is written.) This receipt is not transferable.”

Considering that on the 17th August last, Deniaud, grounding his claim on the sentence in the margin, “No interest will be allowed on sums withdrawn before expiry,” went to the Comptoir d'Escompte to withdraw the amount of his deposit, offering to forfeit the interest conformably to that sentence; and as he had done before without the bank making any objection:

Finding that the director of the Comptoir refused to reimburse him before the expiry of the term, namely in January, 1877, Deniaud protested, on the 17th of the same month (August), the deposit receipt, in order to establish the non-compliance by Vouillemont with the notice in the margin of the receipt, which gave to the depositor, in his own opinion, the right to withdraw the whole or a part of his deposit before the expiry of the term, and also to find out exactly what was the rate of exchange for the dollar on the date of his application for repayment:

Seeing that, according to the article 1,156 of the “Code Civil,” it is our duty to endeavour to discover what were the common intentions of the contracting parties, rather than to hold by the strict literal meaning of the terms employed:

Considering that the deposit made, at request, in the Comptoir, is only repayable on the 19th January, 1877, that this deposit, or loan, was made for the term of one year, and that it bears three and a-half per cent. interest per annum, as is apparent by looking in the body of the receipt:

That if it be matter of regret that the phrase in the margin thus worded, “No interest will be allowed on sums withdrawn before expiry,” is rather vague, and might lead the public to believe (as indeed Deniaud did believe) that depositors have the right to withdraw certain sums before expiry, the Comptoir also seeming to have recognised that it would be for it if it had rendered the question doubtful, since it has added, below, the words, “in case the Comptoir should consent to refund before the date of expiry:”

Seeing, on the other hand, that according to article 1161 of 5th April, all the clauses of agreements must be held one to explain the other, by giving to each one the meaning which it derives from that of the whole instrument:

That the very essence of interest-bearing deposits is that they should only be repaid at the expiry of their term, as distinguished from accounts current:

That if, during the course of the twelve months, a depositor could

withdraw at will from a fixed deposit the sums of which he might have need, while he would still take the interest at $3\frac{1}{2}$ per cent. at the end of the year, on the amount remaining in the bank, the deposit account would be the same as a current account, bearing interest in sums not withdrawn during the year; a condition which most certainly the parties had not the intention of making, as the Comptoir many years since did away with interest on current accounts in Yokohama; and, besides, seeing that according to article 1162 of the Civil Code, an agreement, in case of doubt, is interpreted against him who proposes and in favour of him who contracts the obligation; and that in this case Deniaud proposed and the Comptoir undertook the contract:

As for the protest:—Seeing that it was made in conformity with the commercial customs of Yokohama; and that, besides, without the sentence in the margin of the receipt, a sentence which the Comptoir itself has seen fit to rectify—the protest would have been impossible:

That, in the case, the Consular officer in charge of the *Chancellerie*, could not refuse his offices, leaving to the judge the right to decide after having heard the parties: that, according to the opinion of the Court, the protest ought not to have been made:

As to the damages claimed by the defendant:—Seeing that there is nothing vexatious in the establishment by protest of non-payment of a sum which the defendant thought not owing at the moment of presentation; and that, further, the Comptoir does not prove that it has suffered any damage:

In consequence the Court rejects the claim of the plaintiff: finds that there are no grounds to grant the indemnity claimed by the Comptoir d'Escompte de Paris: finds also that the plaintiff had no right to protest his deposit receipt, which would only fall due on the 19th January, 1877: orders the cancelling of the protest on the records of the French Consulate at Yokohama, and condemns the plaintiff to pay the costs of the suit.

Reports of Joint Stock Banks.

LONDON AND WESTMINSTER BANK.

At the annual general meeting of the proprietors held at the head office, Lothbury, 17th January, Sir John Rose, Bart., K.C.M.G., in the chair. Mr. Tressillian P. Shipp, the secretary, read the report and statement of accounts for the last half-year, as follows:—

The directors report that, after providing for all bad and doubtful debts, paying the income tax, setting apart £2,000 towards the buildings of the bank, and making the necessary provision towards the pension fund and life insurance, the net profits for the last half-year amount to £146,290. 0s. 5d. The rest or surplus fund (with this sum added) will then amount to £910,466. 16s. 5d. The directors, out of this fund, now declare a dividend to the shareholders of 7 per

cent. for the half-year upon the paid-up capital of £2,000,000. After this payment is made the rest or surplus fund will be £770,465. 16s. 5d. The directors who retire by rotation are Bonamy Dobree, Esq., Alexander Gillespie, Esq., and Sir John Rose, Bart., K.C.M.G., who, being eligible, offer themselves for re-election.

London and Westminster Bank, 30th December, 1876.

Dr.

Proprietors for paid-up capital	£2,000,000	0	0
Amount due by the bank on deposits, circular notes, and other moneys, including rebate on bills discounted not yet due ..	*27,953,930	15	2
Rest or surplus fund, June 30, 1876, £764,175. 16s.; net profits of the past half-year, £146,290. 0s. 5d.	910,465	16	5
	<u>£30,864,396</u>	<u>11</u>	<u>7</u>

* This amount does not include acceptances, £929,209. 14s. 9d.

Cr.

Government stock and Exchequer bills	£3,298,851	11	7
Securities guaranteed by the Government of India	700,000	0	0
Bills discounted, loans, and other securities	23,064,549	16	6
Cash in hand and at Bank of England	3,800,995	3	6
	<u>£30,864,396</u>	<u>11</u>	<u>7</u>

Profit and Loss.

Dr.

Total expenditure of the eight establishments, including rent, taxes, salaries, pension fund, life insurance, stationery, &c. ..	£74,684	4	11
Amount set apart towards the buildings of the bank	2,000	0	0
Payment of the dividend now declared at the rate of 7 per cent. for the last half-year on the paid-up capital of £2,000,000	140,000	0	0
Rest or surplus fund	770,465	16	5
	<u>£987,150</u>	<u>1</u>	<u>4</u>

Cr.

Rest or surplus fund, 30th June, 1876	£764,175	16	0
Gross profits of the last half-year, after paying the income tax and making provision for all bad and doubtful debts ..	222,974	5	4
	<u>£987,150</u>	<u>1</u>	<u>4</u>
Rest or surplus fund	<u>£770,465</u>	<u>16</u>	<u>5</u>

The Chairman, in moving that the report which had just been presented be adopted, approved, and circulated among the proprietors, said—The report and accounts spoke for themselves, and there will, therefore, be no necessity for me to occupy your time at any length in giving the brief explanation of them which it is my duty to do. The profits of the last half-year, after deducting all bad and doubtful debts, the payment of income tax, setting aside the usual amount towards the bank buildings, and making the necessary provision towards the pension fund and life insurance amounted to £146,200, as compared with £194,000 last July and £182,000 at the corresponding period of last year. It is hardly fair, perhaps, to compare one half-year with another. The better test is to compare the whole year's transactions, and I therefore invite the proprietors to make that more extended comparison. I would remind you that during the year under review you have received a dividend of 14 per cent. on the capital stock of the company, and that some £60,000 has been added

to the reserve fund. I would also remind you that since July, 1875, when the directors were under the necessity, very reluctantly, to subtract a very considerable sum from that fund to meet losses, the amount of £250,000 has been replaced out of profits. Though the results of the past half-year's banking are not everything that could be wished, yet I think that, taken as a whole, they cannot be considered altogether unsatisfactory. You need not go far to seek the causes which have led to the diminished profits which we, in common with our neighbours, have made. The Board of Trade returns for the past two years tell the tale in a sufficiently plain way. By these returns it is shown that the imports into the United Kingdom for that period have been actually stationary, while during the same period of two years there has been a diminution in the exports amounting to more than £40,000,000 sterling. It has been said that figures and statistics of any kind are capable, or may be made capable, of proving anything, and are therefore at times misleading; and some people might think that an analysis of the trade returns might in some measure qualify the unfavourable conclusion which had been drawn. But there is the distinct evidence during the past 18 months or two years of depressed trade, and of the increasing difficulty of employing money safely for commercial purposes; and what had occurred with foreign stocks had led to discredit. During the last six months the difficulties of the board of directors have been considerably increased by the serious political complications which have distracted Europe. There is no immediate indication of a rise in the value of money, but still things seem to be taking a turn for the better, and I have great faith in the recuperative energy and industry of the country, in the elasticity of trade, and in the corrective influences which have for some time been at work. Unless all antecedents are belied, it is not in the nature of things that trade can remain stagnant much longer, and money continue to be as it were a drug in the market. Some people are of opinion that there is a prospect of an immediate rise in the value of money, in consequence of the diminution of bullion at the Bank of England during the last four months; but I think it would be much more satisfactory to bankers and to the community at large to find that the demand for money is not the result of an intermittent or spasmodic cause, but of a permanent and natural influence. What every bank wants is a fair demand for money for legitimate commercial purposes. We want to see merchants able to employ it at fair and reasonable rates. I do not believe that this cause is as yet operating, but I am of opinion that there are already some indications of its coming. I will refrain from prophesying, for I remember the old proverb, that it is wise not to count your chickens before they are hatched, but I may mention one fact which will tend to show the difficulties which the directors have had to contend with. The average of the Bank of England rate for the past year has been lower than in any year since 1868, having been only £2. 5s. 10d. per cent. Everyone knows that the bank rate is an artificial criterion; that, in fact, it is no true indication of the actual value of money. It is also known that it has been impossible for the bank to lend money on such safe security as was required at almost any rate. When to these difficulties were added the anxiety consequent upon the eastern question, I think every proprietor will see there was a good and sufficient reason for the diminution in the profits which has taken place during the last half-year. There were, however, two—I may say three—primary considerations which we felt it to be our duty to keep in view. The first was the safety and permanence of the bank. We felt that it ought to be prepared for every emergency, and that it should have such a balance of cash in its till, at the Bank of England, at call and otherwise, as to ensure our being free from harm under any circumstances. The second consideration was how to make the conditions of our deposit accounts less onerous to the bank. This, I think, we have done fairly and reasonably to the depositors, and with advantage to the bank. It has long been the practice of the bank to allow a percentage on the minimum balances of deposit and current accounts. One per cent. has been allowed for some time, but we found it was with great difficulty the money could be lent out with safety at even half the sum. We felt it was, therefore, necessary

to reduce, as far as possible, the interest allowed to customers, and especially upon deposit account. At the same time we felt that this should not be done arbitrarily and hastily, and that those customers who had sent their money to the bank alike in good and bad times were entitled to some consideration. I feel bound to say that the customers, when they were shown that the rate paid was only paid at the expense of the shareholders, had met the directors—I feel bound to say—in the most fair and liberal spirit. The result will be found in the figures to which I have called your attention. By these the directors have been enabled to lessen the amount of interest allowed to depositors without in any sense whatever weakening the bank, but on the contrary, I believe, considerably strengthening it. The total liabilities of the bank on the 1st inst. amounted to \$27,950,000, whilst in July they figured for \$29,900,000, being two millions less than at the corresponding period of last year. At the meeting in July last I said that at no time in the history of the bank had the amount of money on current account, as contradistinguished from interest-bearing deposits, been so large, and I am happy to be able to repeat that statement to-day. You will be able to draw your own conclusions as to how the diminution of the two millions has been brought about. It was in the amount on deposit on which the bank was paying interest, and I am of opinion, and hope, that the proprietors will give their cordial approval of that policy. In the third place, the directors have directed their special attention to the safety of the securities on which the money has been lent. We felt that in the great difficulty of obtaining good commercial bills, of lending at almost any reasonable rate on good security, and also in the face of foreign complications, which reduced in a degree the value and character of many of the securities which the bank could lend upon, it was far better to be content with a less amount of profit than to run any great risk in dealing with the money at our disposal. One consequence was that the amount of bad debts made during the last half-year was inappreciable; in fact, I may say, almost nothing, although there have been such great fluctuations. If we had pursued a less conservative policy we might have made more money; but the permanent interests of the bank have, in our opinion, been better promoted by the policy we have pursued than if less caution had been used, and a few more thousands of profit had been made. You will see that we have added considerably to the reserve fund. At former meetings we have stated that the policy of the board was to reinstate or build up the reserve fund to its former amount as rapidly as possible. It is true that during the last half-year we have not been able to add so large an amount to the reserve, or rest, as we could have wished, but at the same time we had to consider the shareholders who looked for a dividend, and who might be in some cases dependent to some extent upon it, and I hope it will not be considered that the course taken has been from any desire to hark back or depart from that policy, when we felt compelled to trench upon the fund to replace the capital we lost. We, in fact, felt that the circumstances in which we were placed were exceptional, and that we ought to pay the usual dividend of 7 per cent. I will not attempt to indicate what may be done in circumstances which have not arisen; but I will ask the proprietors to draw their own inferences from the report and statement of accounts which have been made, and I confidently trust that the shareholders generally will support us in the course we have adopted. I shall be happy to answer any questions that may be put to me, and conclude by moving the adoption and reception of the report.

Mr. J. G. Cattley (director) seconded the motion.

The motion was put and carried unanimously.

On the motion of Mr. T. Chapman, F.R.S., Mr. Bonamy Dobree, Mr. Alex. Gillespie, and Sir J. Rose, Bart., were re-elected as directors.

Dr. Drysdale moved that the thanks of the meeting be presented to the board of directors for their earnest, intelligent, and prudent management of the affairs of the bank, as shown by the highly satisfactory report which they had just adopted.

Mr. R. M. McLean, in seconding the motion, thought that at that time of difficulty they ought not to be satisfied with merely passing a formal vote of

thanks to the chairman and the directors, who had so far successfully piloted them through their difficulties, and whose exertions had placed them in such a position as they now held. It was the duty of the shareholders to show not only that they were satisfied, but at this time, when they had to face difficulties, to assure them not only of sympathy but of steady support in carrying out the policy they had adopted in dealing with the enormous capital under their control. The great part of that capital was by the very nature of banking operations withdrawn from the control of the proprietors. A very heavy responsibility, therefore, rested upon the directors, who had the entire control of the 23 millions of deposits, apart from the capital, which had to be placed out on good, safe, and interest-bearing securities. Even if that amount of capital was turned over once in six months and left a quarter per cent. of profit, it would represent to the bank a profit of £60,000. He most cordially supported the resolution, which was agreed to unanimously amidst cries of "All, all."

The Chairman briefly expressed the thanks of himself and the directors for the very cordial vote which had been passed, and which they as cordially received. Having done, as they believed, their best for the bank, the proprietors could easily conceive how very gratifying it was to them that such a vote should have been passed so heartily. He did not know that they could in future do more than they had in the past to deserve their confidence and support, but this he might promise for himself and colleagues, that they would in future pursue the same policy with the same spirit and determination.

The Chairman again rose, and said it was his pleasing duty to propose a special vote of thanks to the managers and staff of the bank. Their earnestness, zeal, fidelity, and heartiness in their several positions were beyond all praise. The directors of course exacted from each of them in the most rigorous manner the punctual discharge of duties; but the managers and officers had of themselves gone far beyond that, and had most ably carried out the policy of the directors. The best illustration he could give of the earnestness, honesty, honour, and fidelity of the staff was to be found in the fact that since the guaranteed fund was established, so little demand was there upon it, that the original guarantors had been paid their money threefold, while the capital had been increased sevenfold. He had very great pleasure indeed in proposing the vote of well-deserved thanks.

The motion was very cordially agreed to, and briefly acknowledged by Mr. W. Astle, manager of the head office.

A very cordial vote of thanks to the chairman for his conduct in the chair concluded the proceedings.

UNION BANK OF LONDON.

FIFTY-SEVENTH Report of the directors presented at the half-yearly general meeting of the proprietors, held 10th January, 1877. Robert Colquhoun Fergusson, Esq., governor, in the chair.

The directors have to report that the net profits of the bank for the six months ending 31st December last, after payment of all charges (including the sum of £60,008. 12s. 6d. for interest paid and due to customers on their current and deposit accounts), are £95,638. 8s., which, with £1,708. 14s. 2d. brought forward from 30th June last, amount to £97,347. 2s. 2d. The directors now declare a dividend for the last six months at the rate of 12½ per cent. per annum, on the paid-up capital, clear of income-tax. After payment of the dividend, amounting to £87,187. 10s., there will remain an unappropriated balance of £10,159. 12s. 2d. to be carried forward to profit and loss new account. The directors have to announce that since the last meeting they have resolved to discontinue allowance of interest on current accounts from and after 31st January instant. Also, that since the last meeting Robert Colquhoun Fergusson, Esq., has been elected governor of the bank, and that their colleague, John Chapman, Esq., has retired from the direction. In accordance with the provisions of the deed of settlement,

Union Bank of London.

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Thomas Sellar, Esq., and Joseph Hicks Gibbs, Esq., duly qualified proprietors, have been appointed directors.

General Balance for the half-year ending 31st December, 1876.

LIABILITIES.

Dr.

Capital—£10 per share paid up on 60,000 shares, £600,000; £5 per share added out of reserved profits, £300,000; £15 per share paid up on 20,000 shares, 1864, £300,000; £15 per share paid up on 10,000 shares, 1872, £150,000; 10s. per share added out of reserved profits, 1872, £45,000.	£1,395,000	0	0
Due by the bank on current accounts, and deposit receipts (in- cluding interest accrued), £13,185,909. 2s. 9d.; liabilities on acceptances (cover in hand amounting to £8,031,253), £5,315,345. 6s. 6d.	18,501,264	8	3
Reserve fund, invested in consols, and reduced, as per contra	411,123	9	6
Buildings investment account	140,069	0	8
Rebate on bills not due	13,462	3	6
Balance at credit of profit and loss	97,347	2	2
	<u>£20,558,256</u>	<u>4</u>	<u>0</u>

ASSETS.

Cr.

Cash in the bank, £1,181,625. 7s. 2d.; cash in bank of Eng- land, £1,699,453. 0s. 8d.; cash lent at call, £1,136,900	£4,017,978	7	10
Investments in Government stock, exchequer bills, debentures, &c.	2,078,310	19	8
£295,720. 12s. 11d. Consols } £165,289. 6s. 1d. Reduced } Reserved fund	411,123	9	6
Bank premises, consisting of freehold buildings in Princes Street, Mansion House Street, Argyll Place, Fleet Street, Chancery Lane, Charing Cross, and Holborn Circus	424,561	16	4
Loans, bills discounted, &c.	13,626,281	10	8
	<u>£20,558,256</u>	<u>4</u>	<u>0</u>

Profit and Loss Account.

Dr.

Dividend at the rate of 12½ per cent. per annum	£87,187	10	0
Balance, being undivided profit carried forward to next half- year	10,159	12	2
	<u>£97,347</u>	<u>2</u>	<u>2</u>

Cr.

Profit unappropriated on 30th June, 1876	£1,708	14	2
Amount of net profit of the half-year ending 31st December, 1876, after deducting all expenses and interest, paid and due (£50,008. 12s. 6d.) to customers on their current and deposit accounts	95,638	8	0
	<u>£97,347</u>	<u>2</u>	<u>2</u>

The governor then declared a dividend for the past half-year at the rate of 12½ per cent. per annum on the paid-up capital, clear of income-tax. It was resolved unanimously that the report now read be adopted, printed, and circulated among the proprietors. That the best thanks of the meeting be given to the governor, the deputy-governor, and the directors, for the able manner in which they have

conducted the affairs of the bank during the past half-year. That the thanks of the meeting be given to the general manager, the joint managers, the managers of the branch banks, and the secretary, for the efficient manner in which they have discharged their several duties. That the thanks of the meeting be given to R. O. Fergusson, Esq., the governor, for his able and courteous conduct in the chair this day.

LONDON JOINT STOCK BANK.

SEVENTY-NINTH Report, presented to the shareholders at the General Meeting, held January 18th, 1877:—

The directors have much pleasure in presenting to the shareholders the annexed statement of the liabilities and assets of the bank, and of the profit and loss account for the half-year ended on the 30th ultimo. After providing for rebate of interest on bills discounted, not yet due, and crediting the guarantee fund with £8,112 17s. 8d. for six months' interest, a net profit has been realised of £102,794 11s. 9d., including £8,025 11s. 0d. brought forward from last half-year. Of this amount the directors have appropriated the sum of £90,000 to the payment of the dividend at the rate of 15 per centum per annum on £1,200,000, the present paid-up capital of the bank, and £12,000 as a bonus of 3s. per share on 80,000 shares, together £1 5s. 6d. per share, equivalent to 8½ per centum for the half-year, leaving a balance of £794 11s. 9d., which is transferred to the credit of the guarantee fund. The guarantee fund account, with its accrued interest, now stands at £549,766 12s. 0d. The following directors retire by rotation, under the provisions of the deed of settlement, viz.:—Sir Wm. J. W. Baynes, Bart., Francis Boykett, Esq., Charles James Heath, Esq., and Donald Larnach, Esq., all of whom, being eligible, offer themselves for re-election.

Liabilities and Assets, Saturday, 30th December, 1876.

<i>Dr.</i>				
Capital paid up, viz., 80,000 shares at £15 per share ..	£1,200,000	0	0	
Amount of the guarantee fund, 30th June, 1876, £540,859				
2s. 7d., six months' interest on ditto, at 3 per cent. per				
annum, £8,112 17s. 8d.	548,972	0	3	
Amount due by the bank on current accounts, deposit receipts,				
circular notes and acceptances	16,551,170	16	8	
Rebate of interest on bills discounted, not yet due, carried to				
new account	9,229	1	6	
Amount of net profit for the half-year ended 30th December,				
including £8,025 11s. 0d., balance of profit and loss				
account, 30th June, 1876	102,794	11	9	
	<u>£18,412,166</u>	<u>10</u>	<u>2</u>	
<i>Cr.</i>				
Government Stock, valued in accordance with the resolution				
passed by the general meeting of shareholders, on the 19th				
January, 1865, viz.:—£1,200,000 consols, new three per				
cents., and reduced at 90	£1,080,000	0	0	
Cash in hand and at the Bank of England	1,869,496	11	9	
Bills discounted, loans and other securities	15,342,269	18	5	
Freehold premises, buildings, furniture, &c., at head office				
and branches	120,410	0	0	
	<u>£18,412,166</u>	<u>10</u>	<u>2</u>	

Consolidated Bank, Limited.

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Profit and Loss Account, for the half-year ended 30th December, 1876.

Dr.

Current expenses, proportion of building expenses, directors' remuneration, superannuation allowance fund, income tax, &c., £47,610 3s 11d., rebate of interest on bills discounted, not yet due, carried to new account, £9,229 1s 6d., six months' interest on the guarantee fund, at 3 per cent. per annum, £8,112 17s 8d.	£64,952	3	1
Dividend account for the payment of a half-year's dividend at the rate of 15 per cent. per annum upon £1,200,000, amount of paid-up capital on 80,000 shares	90,000	0	0
Ditto for the payment of a bonus of 3s. per share on 80,000 shares	12,000	0	0
Amount carried to the guarantee fund	794	11	9
	£167,746	14	10

Cr.

Amount of gross profit for the half-year ended 30th December, including £8,025 11s. 0d., balance of profit and loss account, 30th June, and after making provision for bad and doubtful debts	£167,746	14	10
	£167,746	14	10

Guarantee Fund Account, 30th December, 1867.

Dr.

Present amount	£549,766	12	0
	£549,766	12	0

Cr.

Amount on the 30th June, 1876	£540,859	2	7
Six months' interest on the guarantee fund, at 3 per cent. per annum	8,112	17	8
Balance of undivided profit	794	11	9
	£549,766	12	0

CONSOLIDATED BANK, LIMITED.

REPORT of the directors to the shareholders at the half-yearly meeting, held at London the 18th January, 1877 :—

The directors beg to submit for the information of the shareholders the accounts and balance-sheet for the half-year ending 31st December, 1876. After payment of all expenses, making provisions for bad and doubtful debts, there remains a net profit for the half-year of £42,637. 17s. 10d.; to which has to be added the balance from last year, £5,892. 9s. 6d.; making a total of £48,530. 7s. 4d.; This sum the directors propose to appropriate as follows:—To payment of a dividend at the rate of 10 per cent. per annum, free of income-tax, £40,000; to reserve fund (making with interest £5,000 for the half-year), £2,975; to carry forward to next account, £5,555. 7s. 4d.; together £48,530. 7s. 4d. After the above appropriation and including interest thereon for the last six months, the reserve fund will amount to £140,000. The directors retiring by rotation are Mr. Matthew Curtis, Sir Thomas Fairbairn, Bart., Mr. Richard Haworth, Mr. Arthur George Latham, and Mr. John Pender, M.P. The following directors

offer themselves for re-election :—Mr. Curtis, Sir Thomas Fairbairn, Bart., Mr. Haworth, and Mr. Latham. The meeting will also be invited to elect two auditors. Messrs. David Chadwick, M.P., and Arthur Cooper offer themselves for re-election.

*Balance-sheet 31st December, 1876.**Dr.*

LIABILITIES.			
Capital paid up: 200,000 shares £4 each	£800,000	0	0
Reserved surplus fund	137,025	0	0
Amount due by the bank on current, deposit, and other accounts	2,894,910	14	8
Acceptances	193,540	19	9
Balance of profit and loss account, 30th June, 1876	5,892	9	6
Balance, being gross profits for half-year ending 31st December, 1876, after payment of interest to customers, and making provision for bad and doubtful debts	64,678	3	1
	<u>£4,096,047</u>	<u>7</u>	<u>0</u>

Cr.

ASSETS.			
Investments in New Three per Cents. and other Government Stocks	£257,822	12	1
Cash in bank, at Bank of England, and at call	864,366	3	8
Bills discounted, loans and other securities	2,777,170	12	6
Bank premises, London and Manchester	180,752	5	0
Current expenses, London and Manchester	15,935	13	9
	<u>£4,096,047</u>	<u>7</u>	<u>0</u>

*Dr.**Profit and Loss Account.*

Current expenses, London and Manchester, income-tax, directors' remuneration, &c.	£15,935	13	9
Rebate on bills discounted not yet due	6,104	11	6
Proposed dividend, at the rate of 10 per cent. per annum ..	40,000	0	0
Reserved surplus fund	2,975	0	0
Balance carried forward to next account	5,555	7	4
	<u>£70,570</u>	<u>12</u>	<u>7</u>

Cr.

Balance of gross profits brought down	£64,678	3	1
Balance of profit and loss account, 30th June, 1876	5,892	9	6
	<u>£70,570</u>	<u>12</u>	<u>7</u>

ALLIANCE BANK, LIMITED.

TWELFTH Report presented to the shareholders at the ordinary general meeting, held January 18th, 1877.

The directors have to report that the net profits of the bank for the last half-year (after making the necessary deductions for interest on current and deposit accounts, current expenses, bad and doubtful debts, and rebate on bills not yet due) amount to £26,204. 2s., which, added to £30,434. 0s. 4d., the balance brought forward from the previous half-year, makes a total of £56,638. 2s. 4d. now to be disposed of. Out of this sum it is recommended that £24,000 be appropriated to the payment of a dividend at the rate of 6 per cent. per annum, free of income tax; that £1,539. 6s. 5d. be added to the reserve fund, together with the sum of £3,460. 13s. 7d. realised during the half-year from the out-

standing assets of the old bank, thus raising the reserve fund to £200,000; that £22,600 be written off and applied against the bad debts of 1875, which the balance then carried forward was intended to provide for, and that the remainder, £8,498. 15s. 11d., be carried forward to profit and loss new account.

Balance-sheet, 31st December, 1876.

Dr.

Capital paid-up on 80,000 shares	£800,000	0	0
Amount due to customers on current and deposit accounts, circular notes, &c., £2,109,892. 2s.; acceptances £727,096. 7s. 7d.	2,836,987	9	7
Reserve fund	195,000	0	0
Balance of contingent account	26,930	7	2
Rebate account	4,441	4	0
Amount brought forward 30th June, 1876, £30,434. 0s. 4d.; balance, being net profit for past half-year, £26,204. 2s. 8d.	56,638	2	4
	<u>£3,919,997</u>	<u>3</u>	<u>1</u>

Cr.

Cash in hand, at Bank of England and at call	£715,779	4	0
Investments in consols, &c.	136,945	14	8
Bills of exchange, loans to customers, &c.	3,040,341	17	3
Balance of outstanding accounts of old bank	26,980	7	2
	<u>£3,919,997</u>	<u>3</u>	<u>1</u>

Profit and Loss Account.

Dr.

Current expenses, including rent, taxes, salaries, stationery, law charges, income-tax, directors' remuneration, &c.	£14,767	15	6
Rebate on bills discounted, not yet due	4,441	4	0
Dividend of 6s. per share on 80,000 shares, £24,000; bad debt account, £22,600; amount placed to reserve fund, £1,539. 6s. 5d.; balance carried to profit and loss new account, £8,498. 15s. 11d.	56,638	2	4
	<u>£75,847</u>	<u>1</u>	<u>10</u>

Cr.

Balance brought forward 30th June, 1876	£30,434	0	4
Gross profits for the past half-year, after payment of interest on current and other accounts, and making provision for bad and doubtful debts	46,413	1	6
	<u>£75,847</u>	<u>1</u>	<u>10</u>
Balance brought down	<u>£8,498</u>	<u>15</u>	<u>11</u>

Reserve Fund.

Balance 30th June, 1876	£195,000	0	0
Amount transferred from contingent account, 31st December, 1876	3,460	13	7
Ditto, profit and loss account	1,539	6	5
	<u>£200,000</u>	<u>0</u>	<u>0</u>

IMPERIAL BANK, LIMITED.

TWENTY-NINTH Report to the shareholders at an ordinary general meeting, held 16th January, 1877.

The directors beg to submit to the shareholders a statement of the accounts of the bank for the half-year ending 30th December last. Upon reference to the annexed balance-sheet it will be seen that after payment of interest on the deposit and current accounts, and providing for bad and doubtful debts, the balance of profit amounts to £40,990. 4s. 7d.; deducting from this amount the current expenses and rebate of interest on bills discounted not yet due, there remains for appropriation £25,536. 18s. 7d., which it is proposed to apply in the following manner, viz.:—£20,250 to the payment of a dividend at the rate of 6 per cent. per annum free of income-tax, and the balance of £5,286. 18s. 7d. to be carried to the credit of profit and loss new account. Edmund T. Doxat, Esq., of the firm of Messrs. Edenborough, Doxat & Co., has accepted a seat at the board, subject to the confirmation of the shareholders. The directors retiring on this occasion are A. A. Ralli, Esq., D. S. Schilizzi, Esq., and David Stern, Esq., who being qualified, offer themselves for re-election. The auditors, Frederick Fearon, Esq., and George Broom, Esq., also retire from office and offer themselves for re-appointment.

Balance-sheet, 30th December, 1876.

<i>Dr.</i>			
Capital issued, viz.:—45,000 shares, £15 paid	£675,000	0	0
Amount due by the bank, on current, deposit, and interest accounts, £2,264,220. 15s. 7d.; acceptances, £386,400. 19s. 10d.	2,650,621	15	5
Reserve fund	90,000	0	0
Redemption of premises fund	2,535	0	0
Balance from 30th June, 1876, £5,032 15s.; balance of profit for half-year after providing for bad and doubtful debts, £41,523. 13s. 6d.; less interest paid on current and deposit accounts, £5,637. 3s. 11d.	40,990	4	7
	<u>£3,459,147</u>	<u>0</u>	<u>0</u>

<i>Cr.</i>			
Consols, India and Canada bonds, City bonds, and Metropolitan Board of Works stock	£121,623	1	0
Bills discounted, loans to customers, &c.	2,015,750	2	4
Acceptances as per contra	386,400	19	10
Bank premises, furniture and fixtures	23,680	4	8
Cash in hand at Bank of England and at call	911,692	12	2
	<u>£3,459,147</u>	<u>0</u>	<u>0</u>

PROFIT AND LOSS ACCOUNT.

<i>Dr.</i>			
Current expenses	£11,203	10	9
Payment of dividend, at the rate of 6 per cent. per annum, for the half-year ending 30th December, 1876	20,250	0	0
Rebate on bills not due	4,249	15	3
Amount carried to profit and loss new account	5,286	18	7
	<u>£40,990</u>	<u>4</u>	<u>7</u>
<i>Cr.</i>			
Amount brought down	£40,990	4	7

CITY BANK, LONDON.

Forty-second Report, at the half-yearly general meeting, 16th January, 1877.

The directors present to the shareholders the annexed accounts of "Liabilities and Assets," and "Profit and Loss," for the half-year ending 30th December, 1876; which show that, after providing for interest on current and deposit accounts, and for bad and doubtful debts, the gross profits, including £6,264 16s. 6d., brought forward from the preceding half-year, are £66,532 10s. 3d. Provision being made therefrom for current expenses and rebate on bills discounted not due, the directors declare a dividend at the rate of 8 per cent. per annum, free of income tax, payable on and after the 17th instant; add £10,000 to the reserved fund, thereby increasing it to £170,000; and carry forward to the next account £1,923 17s. 7d. During the past half-year, the directors decided to discontinue, from the first January, 1877, the allowance of interest upon the minimum monthly balances of the customers' current accounts. It is with regret the directors announce the death of Mr. Henry Vigurs East, who was for eighteen years a most efficient director of this bank.

Liabilities and Assets on 30th December, 1876.

<i>Dr.</i>			
Capital paid up, viz., £10 per share on 60,000 shares	£600,000	0	0
Amount of reserved fund	160,000	0	0
Amount due by the bank on current and deposit accounts, letters of credit, &c. £3,342,143. 1s. 8d., acceptances against cash in hand, bankers' bills, approved securities, &c., £3,732,106. 16s. 1d.	7,674,249	17	9
Profit and loss for the balance of that account, after providing for bad and doubtful debts, viz.:—Surplus profit brought forward from last half-year £6,264. 16s. 6d., since added £60,267. 13s. 9d.	66,532	10	3
	<u>£8,500,782</u>	<u>8</u>	<u>0</u>

<i>Cr.</i>			
Exchequer bills, East India debentures, and Government securities	£325,882	6	3
Cash in hand, at Bank of England, and at call	940,868	1	4
Other securities, including bills discounted and loans	7,177,801	10	6
Bank premises in Threadneedle-street, Old Bond-street, Tottenham Court-road, Ludgate-hill, Paddington, Knightsbridge, and Aldgate; furniture, fixtures, &c.	57,230	9	11
	<u>£8,500,782</u>	<u>8</u>	<u>0</u>

Profit and Loss Account for the half-year ending 30th December, 1876.

<i>Dr.</i>			
Current expenses, including salaries, rent, stationery, directors' remuneration, proportion of building expenses, income tax, &c.	£25,932	10	2
Amount carried to profit and loss new account, being rebate on bills discounted not yet due	4,676	2	6
Amount transferred to reserved fund, in addition to £160,000 already at the credit of that account	10,000	0	0
Dividend account for the payment of a dividend at the rate of £8 per cent. per annum upon £600,000, amount of paid-up capital upon 60,000 shares	24,000	0	0
Undivided profit transferred to profit and loss new account	1,923	17	7
	<u>£66,532</u>	<u>10</u>	<u>3</u>

Cr.

Balance brought down, after providing for bad and doubtful debts, viz.:—Surplus profit brought forward from last half-year £6,264 16s. 6d., since added £60,267 13s. 9d. £66,532 10 3

MIDLAND BANKING COMPANY, LIMITED.

REPORT to the Shareholders at the Twenty-seventh Ordinary General Meeting, held at Stafford, 23rd January, 1877.

The directors have much pleasure in submitting to the shareholders the accompanying balance sheet and statement of profit and loss, for the half-year ending 31st December, 1876, examined and certified as usual by the auditors, showing that the operations of the bank for the half-year have again been very satisfactory. Including the balance of £2,165. 4s. 11d. brought from last account, the gross profits for the half-year, after making provision for bad and doubtful debts, were £46,779; and deducting therefrom interest paid, or due to customers, and all the current expenses of the bank, there remained a disposable balance of £18,195. 3s. 7d. The directors have as usual appropriated £500 to the reduction of premises account. They recommend a dividend for the half-year of 8 per cent. per annum, free of income tax, which will absorb £12,000, and that the balance of £6,695. 3s. 7d., which includes rebate of bills discounted but not due, be carried to the next account. The directors retiring by rotation, in accordance with the articles of association, are Moses Ironmonger, Esq., John Elin, Esq., and W. Stratford Dugdale, Esq., who are eligible for re-election. It will be necessary for the meeting to elect two auditors in the room of Edward Browning, Esq., and John Percivall, Esq., who also retire as required by the articles of association, but are eligible for re-election.

*Balance-sheet 31st December, 1876.**Dr.*

Capital subscribed	£1,500,000 0 0
Capital paid-up	£300,000 0 0
Reserve fund	50,000 0 0
Current and deposit accounts, and other liabilities	1,518,872 12 0
Profit and loss, balance brought from last account, £2,165. 4s. 11d.; gross profit for the half-year, after making provision for bad and doubtful debts £44,613. 16s. 1d.	46,779. 0 0
	<u>£1,915,651 12 0</u>

Cr.

Cash on hand, and with bankers and agents	£321,557 3 4
Freehold and copyhold premises, and bank fittings	51,484 4 10
Bills and promissory notes discounted and other advances to customers	1,514,026 7 5
Current expenses, including salaries, rents, &c., at head office and branches, agency charges, directors' remuneration, &c.	14,167 12 3
Interest paid or accrued on current and deposit accounts, &c.	14,416 4 2
	<u>£1,915,651 12 0</u>

*Profit and Loss Account.**Dr.*

Current expenses, as above	£14,167 12 3
Interest paid or due to customers	14,416 4 2
Premises account	500 0 0
Dividend of 8 per cent. per annum	12,000 0 0
Carried forward to profit and loss new account—rebate on bills not due, £1,131. 2s. 9d.; unappropriated profit, £4,564. 0s. 10d.	5,695 3 7
	£46,779 0 0

Cr.

By unappropriated profit from last account	£2,165 4 11
Gross Profit for the half-year, after making provision for bad and doubtful debts	44,613 15 1
	£46,779 0 0

COLONIAL BANK.

REPORT by the Directors to the proprietors assembled at the seventy-eighth half-yearly general meeting, the 4th day of January, 1877, Thomas D. Hill, Esq., chairman.

The directors have now to present to the proprietors the following statement of the debts and assets of the corporation, on 30th June last, which includes the net profit made during the half-year ending that period, viz. :—

Debts.

Circulation	£412,226 19 2
Deposits, bills payable, and other liabilities	2,899,503 19 8
Paup-up capital	600,000 0 0
Reserved fund	84,000 0 0
Balance of profit from last half-year	1,837 10 10
Net profit for the half year	35,837 15 9
	£4,033,406 5 5

Assets.

Specie	£343,520 10 0
Due to the bank in the colonies, on bills discounted and purchased (including those past due), &c.	1,550,037 5 7
Due to the bank in the Colonies, on current accounts	26,718 1 3
Due to the bank in London, on bills receivable, cash at bankers, &c.	2,104,542 14 11
Bank premises and furniture, in London and in the colonies	8,587 13 8
	£4,033,406 5 5

The directors regret to state that heavy failures have taken place in Jamaica, which will entail considerable loss on the bank. Although these failures have occurred since the date of the accounts now submitted, they were to a certain extent anticipated, and some reserve made for them. Further provision, however, has been found necessary to meet this loss, reducing the profit to an amount that does not admit of the payment of the usual bonus, or of any addition to the reserve fund. The directors, therefore, recommend that out of the net profit, which amounts, after providing for all bad and doubtful debts,

and for income-tax, to £35,837. 15s. 9d. added to the amount brought forward, £1,837. 10s. 10d., together £37,675. 6s. 7d.; a dividend be made of 6 per cent. upon the paid-up capital, for the half-year ending 30th June last, which will require £36,000; and that the balance of £1,675. 6s. 7d. be carried forward to the next half-year, leaving the reserve fund at £84,000. The directors have much pleasure in referring to the important improvement in the sugar market, a very considerable rise in prices having taken place during the last few months, which cannot fail to have a beneficial influence upon our West Indian Colonies.

The secretary having read the report, the following resolutions were put from the chair, and carried:—Resolved, that the report of directors, which has been read to the meeting, be received, printed, and distributed amongst the proprietors. That a dividend of six pounds per cent. be made for the half-year ending 30th of June, 1876, on the paid-up capital of the corporation, and that the same be payable on and after the 9th instant, free of income-tax. That the following gentlemen who have now gone out by rotation, be re-elected directors of this corporation:—Rodolph Alexander Hankey, Esq., Joseph Hoare, Esq., William Rennie, Esq., Thomas Daniel Hill, Esq., and Spencer Henry Curtis, Esq. Also, that Charles R. Gurney Hoare, Esq., who has now gone out by rotation, be re-elected an auditor of this corporation. Also that Harry Hankey Dobree, Esq., be elected a director of this corporation in the room of William Burnley Hume, Esq., deceased. It was then moved by William Castle Smith, Esq., seconded by Joseph Bravo, Esq., and resolved unanimously, that the thanks of this meeting be given to the chairman and directors for their continued attention to the interests of the proprietors.

UNION BANK OF AUSTRALIA.

A SPECIAL general meeting of the proprietors was held in London, on the 8th January, for the purpose of receiving the half-yearly report of the directors, and of filling the vacancy in the direction occasioned by the retirement of Mr. Robert Brooks. The chair was occupied by Mr. Robert Campbell.

The secretary (Mr. J. H. Selfe) read the report of the directors as follows:—

“The directors have great pleasure in presenting to the proprietors a statement of accounts which has enabled them, after providing for every ascertained loss and doubtful dependency, to declare a dividend and bonus equal to those of the past two years, viz., a dividend of 7 per cent., and a bonus of 5s. per share, being together at the rate of 16 per cent. per annum. The principal industries of the Australian colonies continue to make fair and steady progress, and trade is sound. The value of wool has entirely recovered from the severe fall noticed in the directors’ report of July last, and notwithstanding that important districts of Australia suffered during part of the past half-year from drought, the great pastoral interests of the colonies generally are in a healthy state. The directors have with much regret to inform the proprietors of the retirement, owing to advancing years, of their esteemed colleague, Mr. Brooks, who was the last of the original directors. Since the formation of the bank in 1837, Mr. Brooks has taken an active part in its management, and to his great experience of commercial affairs this institution is largely indebted. The vacancy thus created has been provisionally filled, in accordance with the deed of settlement, by the appointment of Mr. Brooks’s son, Mr. Robert Alexander Brooks, who now offers himself for election. The directors deeply regret to announce the death on 8th August, after a brief illness, of Mr. Bramwell, their valued manager in London, by which event the bank loses the able and experienced services of an officer devoted to its interests, who, from the time of his appointment in 1869, discharged his duties to the entire satisfaction of the board. As his successor the directors have appointed Mr. W. R. Mewburn, who has filled the office of secretary for ten years, and has been in the bank’s service for twenty-three

years. During this long period Mr. Mewburn has acquired a perfect knowledge of the business of the bank, and at every stage of his career has earned the esteem and confidence to which his worth, ability, and zeal entitle him. The directors have again great pleasure in expressing their highest satisfaction with the able and zealous exertions in the bank's interests of the general manager and the chief officer for New Zealand, as well as the other officers of the bank both at home and abroad. The annexed balance-sheet presents a net profit of £108,236. 10s. 9d. available for division, of which the dividend and bonus will absorb £100,000, leaving £8,236. 10s. 9d. to be carried forward.

Statement of Liabilities and Assets at the Branches on the 30th June, and at the London Office on the 30th December, 1876.

LIABILITIES.			
Circulation	.. .. .	£378,203	15 0
Deposits	.. .. .	5,138,816	5 4
Bills payable and other liabilities (including reserves held against doubtful debts)	.. .. .	1,067,831	17 11
Balance of undivided profits	.. .. .	108,236	10 9
Reserve fund as per contra	.. .. .	250,000	0 0
Building and other reserve funds	.. .. .	150,000	0 0
Capital	.. .. .	1,250,000	0 0
		£8,343,088	9 0

ASSETS.			
Specie on hand and cash balances	.. .. .	£1,119,516	2 10
Bullion on hand and in transitu	.. .. .	73,472	9 3
Bank premises and property	.. .. .	188,293	14 8
Government securities	.. .. .	264,161	14 6
Local bills, bills receivable, and other securities	.. .. .	6,447,644	7 9
Reserve fund, invested as per statement	.. .. .	250,000	0 0
		£8,343,088	9 0

STATEMENT OF PROFITS.			
Balance of undivided profits at 30th June, 1876	.. .. .	£107,816	17 5
Out of which a dividend and bonus were declared of	.. .. .	100,000	0 0

Leaving a balance of	.. .. .	£7,816	17 5
Profits of the past half-year, after making provision for all bad and doubtful debts, £157,144. 18s. 4d. Less—Remuneration to the local directors, and salaries and allowances to the colonial staff, £35,383. 5s. 5d.; general expenses in the colonies, including rents, taxes, stationery, &c., £11,450. 7s. 3d.; remuneration to the board of directors, salaries of London office staff, rent, taxes, stationery, and general expenses, £8,721. 2s. 4d.; income-tax, £1,170. 10s. 0d.—£56,725. 5s. 0d.		£100,419	13 4

Balance of undivided profits at this date		£108,236	10 9
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RESERVE FUND.			
New Zealand Imperial Four per cent. debentures		£200,000	0 0
Colonial Six per cent. debentures		50,000	0 0
		£250,000	0 0

The Chairman said the directors have much pleasure in meeting the shareholders in the fortieth year of the bank's existence with a statement of accounts

which, I believe, will be considered satisfactory, inasmuch as the whole of the bad and doubtful debts had been amply provided for by the accounts committee, who had gone through the whole assets of the bank from beginning to end. Few persons were aware of the magnitude and soundness of the trade of the Australian and New Zealand colonies, which exceeds 90 millions sterling; and in the absence of any other topic of material interest I will make a few remarks and quote a few statistics in order to show the solid basis on which the bank's business is transacted, which will enable the shareholders in some measure to discount the future, for I need not tell you that upon the wealth and resources of the rich colonies with which we trade depend the soundness of the good balance-sheets which we present to you year after year. The total trade of the Australian and New Zealand colonies amounted to 90 millions sterling, and its exports to 45 millions, dug from the bowels of the earth or gathered from its surface. That 45 millions consisted of natural products. In the metals, gold, copper, tin, and iron were in all the colonies, and silver in New Zealand. In miscellaneous products they had wool, coal, tallow, hides, preserved meats, sugar, wheat, and wine. I believe the last industry to be making a great extension, and there was good reason for supposing that it would eventually become a large trade, especially considering the ravages which the phylloxera was making in the French vineyards by destroying the vines. In all the colonies there were 65,000,000 sheep and 7,000,000 cattle. The population of Australia and Tasmania numbered 2,000,000 and New Zealand 400,000. The revenue of the whole group was £13,000,000. Comparing these colonies with Canada, they would find that the population in the new dominion was 4,300,000 and her total trade amounted to £45,000,000, as against the £90,000,000 of the Australias. The dominion exports were £19,000,000, against those of the Australian group, amounting to £45,000,000, and the dominion revenue £5,000,000, as against their £13,000,000. Going further afield, the Indian empire had a population of 240 millions, and a total trade—exclusive of treasure—of £87,000,000, and her exports were £55,000,000, against Australia's £45,000,000. But they would be asked what was the indebtedness of the Australian colonies? It amounted to 55 millions. Take New South Wales, the oldest of them all; her debt was £11,500,000, but her railways and public works were worth fully that amount, and her unsold crown lands were certainly worth ten times that amount of debt. Victoria owed £14,000,000, excluding the last loan of £3,000,000, which was still in hand; her railways returned 4 per cent. of their cost, and the unsold crown lands were worth double the debt. South Australia had a debt of £3,500,000, and her railways and public works were worth about that amount, whilst her unsold crown lands were worth about ten times the debt. Queensland, perhaps the richest of all the colonies, had a debt of £7,000,000, but her public works and railways were worth nearly the whole, and her unsold crown lands ten times the amount of debt. New Zealand had a debt of £18,000,000, but her unfinished railways returned about 3 per cent. of their cost, and were worth about half the debt; besides which she had expended large sums of money in roads and bridges, while her unsold crown lands were worth double her debt. In this country the railways and such works as roads and bridges were made by companies and corporations, which had expended on them a sum larger by one-half than that of the entire national debt, say 1,100 millions; and in England there were no crown lands to sell. The Chairman then referred in terms of deep regret to the loss which the bank had sustained by the retirement from the direction of Mr. Brooks, who might be called the father of the bank, having been one of the original directors, and to whose share in its first organisation and subsequent working the bank is largely indebted. The bank also sustained a great loss by the decease of Mr. Bramwell, their London manager, who brought to his work entire devotion to the bank's interests, joined to great industry, intelligence, and extensive colonial knowledge. The latter gentleman had been replaced by Mr. Mewburn, who had for many years past most ably discharged the duties of secretary to the bank. The Chairman then referred to the high character, ability, and zealous devotion to the bank's interests uniformly displayed by the

general manager, Mr. McMullen, and by the chief officer in New Zealand, Mr. Palmer, and also spoke in high terms of the bank's staff generally, both at home and abroad, and concluded by moving the adoption of the report and accounts.

Mr. William Botlay briefly seconded the motion, which was agreed to without discussion, and the dividend declared.

Upon the motion of the Chairman, seconded by Mr. Peake, Mr. R. A. Brooks was unanimously elected a director.

Unanimous votes of thanks were accorded to the general manager and staff, and the proceedings closed with the customary compliment to the Chairman and his colleagues.

NATIONAL BANK OF SCOTLAND.

THE fifty-first annual meeting of the proprietors of the stock of this bank was held 21st December, 1876, the Marquess of Lothian, governor of the bank, in the chair. The profits of the official year ending 1st November were stated (after making ample provision for all bad or doubtful debts, depreciation of the bank's property, or other contingencies), to be £167,698. 12s. 11d., to which fell to be added the balance of £16,651. 8s. 5d. carried forward from last year's account,—together £184,350. 1s. 4d.,—and it was resolved to declare the usual dividend of 13 per cent., an extra dividend, or bonus, of 2 per cent.,—to add £18,000 to the rest,—and to carry forward the balance of £16,350. 1s. 4d. to next account. These dividends to be payable, in equal portions, on the second Tuesdays of January and July, 1877, free of income-tax. The rest, after laying aside, in a separate account, the sums necessary to pay the above dividends, will then amount to £428,000, besides the unappropriated balance of £16,350. 1s. 4d. carried forward.

The following is the statement of the bank's liabilities and assets at 1st November, 1876:—

LIABILITIES.

Capital stock of the bank	£1,000,000	0	0
Rest, after deducting dividend, and extra dividend, or bonus, payable in equal portions in January and July, 1877 ..	428,000	0	0
Ordinary dividend of 13 per cent., £130,000; extra dividend or bonus for the year of 2 per cent., £20,000 ..	150,000	0	0
Circulation	701,938	7	0
Deposits, current balances, &c.	11,155,957	4	4
Drafts outstanding due within fourteen days	232,161	2	4
Acceptances by the bank and its London correspondents ..	1,099,344	4	10
Balance carried forward	16,350	1	4
	£14,783,748	19	10

ASSETS.

Bills discounted, cash and current accounts, &c. ..	£10,656,045	13	3
Bank of England, the bank's, and other stocks, bonds, &c. ..	726,612	5	4
Government stocks, cash with London bankers, and other available funds	3,213,711	6	4
Gold and silver coin, and notes of other banks	658,879	14	11
Bank premises at head office, London office, and branches ..	128,500	0	0
	£14,783,748	19	10

The bank's profits and rest accounts:—Balance of profits carried forward at 1st November, 1875	£16,651	8	5
Bank's rest at that date	410,000	0	9
Net profits for the year ending 1st November, 1876	167,698	12	11
	£594,350	1	4

Appropriated thus:—Set aside for dividend and extra dividend,
or bonus, due in January and July, 1877

150,000 0 0

 £444,350 1 4

Leaving the bank's free rest at 1st November, 1876, £428,000;

balance of profits carried forward to next account,
£16,350. 1s. 4d.

 £444,350 1 4

BANK OF NEW SOUTH WALES.

FIFTY-second report of the directors to the half-yearly general meeting of the proprietors, held at Sydney, the 31st day of October, 1876.

The directors have the pleasure to submit to the proprietors a statement of the assets and liabilities of the bank on the 30th ultimo, with the auditors' report and declaration. The net profits for the half-year, after deducting rebate on current bills, interest on deposits, providing for bad and doubtful debts, and reducing valuation of bank premises amount to £97,200. 11s. 2d. To which is to be added—Undivided balance from last half-year, £3,579. 12s. 1d.; giving for distribution, £100,780. 3s. 3d. Which the directors recommend to be appropriated as follows:—Payment of dividend at the rate of 15 per cent. per annum, £75,000; bonus at the rate of 2½ per cent. per annum, £12,500; augmentation of the reserve fund, £10,000; balance carried to "Profit and Loss" new account, £3,280. 3s. 3d.; £100,780. 3s. 3d. With the above appropriation the reserve fund will amount to £420,000. Branches of the bank have been established during the past half-year at Maytown in Queensland, and at Moama, Moree, and Urana, in this colony. The Branches at Ross, in New Zealand, and at Hill End, Home Rule, and Tichborne, in this colony, have during the same period been withdrawn. It will be the duty of this meeting to elect a director in the room of Mr. Thomas Walker, who retires by rotation, but is eligible for re-election, is the only candidate, and has given the requisite notice. The meeting will also have to appoint auditors for the ensuing year in the room of Mr. James Henry Neale, who now retires, but is eligible for re-election; and Mr. William Richman Piddington, M.L.A., who has resigned, and whose place has been temporarily filled by the appointment of Mr. James Start Harrison.

Aggregate Balance-sheet, September 30th, 1876.

(Including London Branch to 30th June, 1876, and New Zealand Branches to 4th September, 1876.)

Dr.

Bank Stock	£1,000,000	0	0
Reserve fund	410,000	0	0
Notes in circulation	652,234	0	0
Bills payable	2,240,347	5	5
Deposits and other liabilities	8,375,303	6	0
Profit and loss	123,659	0	8

 £12,801,543 12 1

Cr.

Coin and cash balances	£4,046,297	14	1
Bullion in hand, and in transit to London	250,369	1	6
Notes of other banks	16,823	0	0
Bank premises	204,797	16	3
Bills receivable, bills discounted, and other debts due to the bank	8,274,255	17	9
Insurance account	9,000	2	6

 £12,801,543 12 1

Profit and Loss, September 30th, 1876.

<i>Dr.</i>		
September 30th, 1876, Rebate (at current rates) on bills discounted, not due at this date	£22,878	17 6
Dividend at the rate of 15 per cent. per annum	75,000	0 0
Bonus at the rate of 2½ per cent per annum	12,500	0 0
Augmentation of the reserve fund	10,000	0 0
Balance carried to "Profit and Loss," new account	3,280	3 3
	£123,659	0 8
<i>Cr.</i>		
March 31st, 1876, amount from last account	£3,579	12 1
September 30th, 1876, balance of half-year's profits after providing for bad and doubtful debts, and including recoveries from debts previously written off as bad	120,079	8 7
	£123,659	0 8

Reserve Fund, September 30th, 1876.

<i>Dr.</i>		
September 30th, 1876, balance	£420,000	0 0
	£420,000	0 0
<i>Cr.</i>		
March 31st, 1876, balance	£410,000	0 0
September 30th, 1876, amount from profit and loss	10,000	0 0
	£420,000	0 0

NATIONAL BANK OF AUSTRALASIA.

THIRTY-SIXTH report to the general half-yearly meeting, held at Melbourne, 7th November, 1876.

1. The directors now submit to the shareholders the usual half-yearly statement of accounts, showing the result of the business of the bank for the six months to 30th September last. 2. They have no doubt but that the steady progress which these figures exhibit, will afford satisfaction to the shareholders. 3. The amount available for distribution is arrived at as follows:—Net profit, after deducting expenses of management, providing for bad and doubtful debts, rebate on bills discounted and not yet due, interest paid and accrued on deposits, repairs to premises and rent, £56,809. 12s. 8d. Recovered from debts previously written off as bad, £739. 6s. 1d. Balance from previous half-year, £6,487. 0s. 10d. Deduct amount of tax on note circulation in Victoria, £1,433. 18s. 6d. Leaving £62,602. 1s. 1d. 4. This sum it is proposed to appropriate in the following manner, viz:—Dividend to shareholders at rate of 10 per cent. per annum on the paid-up capital of £750,000.—£37,500. Bonus to shareholders at rate of 2 per cent. per annum, £7,500. In reduction of premises account, £10,000. Balance carried forward, £7,602. 1s. 1d.—£62,602. 1s. 1d. 5. During the half-year branches have been opened at Yarrawonga, in this colony, and at Wilmington in South Australia: the branch at Norwood in the last named colony has been withdrawn.

Aggregate Balance Sheet for the half-year ending 30th September, 1876.
(London Branch Accounts being included to 30th June, 1876.)

<i>Dr.</i>									
Capital paid up	..	..	..	..	..	..	..	£750,000	0 3
Notes in Circulation	..	..	..	..	..	..	..	308,181	10 0
Bills in circulation	..	..	..	..	..	..	..	816,191	18 11
Deposits	..	..	..	..	..	..	..	3,123,617	16 8
Balances due to other banks	..	..	..	..	..	..	..	171,755	15 6
Reserve fund	..	..	..	..	..	..	..	250,000	0 0
Profit and loss	..	..	..	..	..	..	..	62,602	1 1
								£5,482,349	2 2
<i>Cr.</i>									
Coin, bullion, and cash balances	..	..	..	..	..	..	..	£1,004,433	19 6
Government debentures	..	..	..	..	..	..	..	150,000	0 0
Bills remitted and bullion in transitu	..	..	..	..	..	..	..	855,756	0 3
Balance due by other banks	..	..	..	..	..	..	..	13,772	9 1
Notes of other banks	..	..	..	..	..	..	..	13,315	18 11
Bills receivable and all other advances	..	..	..	..	..	..	..	3,333,243	3 3
Bank premises account	..	..	..	..	..	..	..	*111,827	11 2
*Balance on 31st March, 1876, £113,050. 15s.; appropriated then, £10,000.—£103,050. 15s.; outlay on new premises since £8,776. 15s. 2d.; amount as above, £111,827. 11s. 2d.									
								£5,482,349	2 2

PROFIT AND LOSS ACCOUNT.

<i>Dr.</i>									
Expenses at head office and 82 branches and agencies	..	..	..	..	..	..	..	£43,009	2 10
Bank note tax for quarters ending June and September	..	..	..	..	..	..	..	1,433	18 6
Balance	..	..	..	..	..	..	..	62,602	1 1
								£107,045	2 5
<i>Cr.</i>									
Balance brought forward	..	..	..	..	..	..	..	£6,487	0 10
Gross profits, after providing for bad and doubtful debts, rebate on bills current, interest paid and accrued on deposits, and repairs to premises and rent	..	..	..	..	..	..	..	99,818	15 6
Recoveries	..	..	..	..	..	..	..	739	6 1
								£107,045	2 6

RESERVE FUND ACCOUNT.

<i>Dr.</i>									
Balance	..	..	..	..	..	..	..	£250,000	0 0
								£250,000	0 0
<i>Cr.</i>									
Balance last half-year	..	..	..	..	..	..	..	£250,000	0 0
								£250,000	0 0

SUSPENSION OF A PROVINCIAL BANK.

The Helston Banking Company was closed on December 28, 1876, with an announcement that payments were suspended. Rumours adverse to its stability had previously been current, resulting in a run which the directors were unable to meet. The shareholders are Henry Rogers, solicitor; Thomas Hyne Edwards, conveyancer; James Ellis, banker; and Thomas Ellis, brewer, all of Helston. The bank has been established about forty years, and did business chiefly among the tradesmen and farmers of the district, many of whom are large depositors. The authorised note issue is £1,503, but the deposits are far more considerable. It is not yet known what the deficiency is.

At a largely attended meeting of the creditors of the Helston Banking Company yesterday, Mr. Henry Rogers, solicitor, son of the late Mr. Thomas Rogers, the managing partner, offered to guarantee a dividend of 10s. in the pound on condition that the whole of the assets were made over to him, and that Mr. Thomas Edwards and Mr. Thomas Rogers, two of the partners, agreed to pay £6,000 and £2,000 respectively towards the composition. These gentlemen having consented to pay the sums named, Mr. Rogers's offer was accepted. The composition is to be paid in bills at three, six, and nine months. The liabilities of the bank amount to £45,000, and the deficiency to £30,000, owing chiefly to depositors.—*Times*, 25th January.

Communications.

To the Editor of the "Bankers' Magazine."

LONDON AND PROVINCIAL BANK, LIMITED.

DEAR SIR,—I beg to inform you that by the wish of my family I have, after due consideration, decided to retire from business at the end of this year. In arriving at this conclusion, I cannot forget that I have been engaged in banking in the county of Pembroke forty years; twenty-seven years in private banking, and thirteen years manager of the Pembroke, Pembroke Dock, and Tenby branches of this bank, during which time I uniformly received an amount of support I shall never forget, and I cannot sever this long business tie without some feeling of regret. The directors of the bank have appointed to succeed me, at Pembroke, Mr. William Fiske, many years manager of other branches of the bank; and Mr. R. Harwood, chief clerk at Pembroke Dock during many years, will take charge of that branch. I shall still remain deeply interested in the success of the bank, with which I have been so long connected. I trust you will transfer to my successors that support and consideration you have hitherto extended to me. And I beg to conclude this intimation with my most grateful thanks for all the kindness and courtesy I have received from my clients and supporters, and, with the kindest regards, remain,

Yours faithfully,

Pembroke, 23rd December, 1876.

WM. HULM.

P.S.—The directors have not yet appointed a manager for Tenby branch, but will do so shortly; in the meantime the resident clerk will carry on the business there, under supervision.

**AMALGAMATION OF HAMPSHIRE BANKING COMPANY AND
NORTH WILTS BANKING COMPANY.**

SOUTHAMPTON, 30th November, 1876.

SIR,—I have the pleasure to inform you that a provisional arrangement has been entered into with the directors of the North Wilts Banking Company (subject to the approval of their shareholders being obtained at a meeting which has been called for that purpose) for amalgamating that bank with this company. A careful and very minute investigation has been carried on for some time past, and it has resulted in a satisfactory arrangement, under which the united company will carry on its business with a paid-up capital of £300,000, and a reserve fund of £150,000, all bad and doubtful debts on both sides being totally eliminated, or provided for by special reserves of very ample dimensions. It is also contemplated to unite both boards of directors, to make the bank in Threadneedle-street the principal office for the amalgamated company, and to change the name of the company as soon as the amalgamation is complete into that of the "Hampshire and North Wilts Banking Company." In order that the directors may be able to enter more fully into details, and to enable them to give effect to the arrangement, and by their appointment, I hereby give you notice that an extraordinary general meeting of the shareholders of this company will be held at the banking house of the company at Southampton, on Friday, the 15th day of December, 1876, at twelve o'clock at noon, and that, at such extraordinary general meeting, resolutions will be proposed by or on behalf of the directors, to the following effect:—

1.—"That the directors of the Hampshire Banking Company having agreed with the North Wilts Banking Company for the amalgamation of the businesses of the two companies, to take effect from and after the 31st day of December, 1876, and that such amalgamated businesses shall thenceforth be under the control and management of the directors of such two companies, forming one board, and shall be carried on as the business of one united company, to be and to be called 'The Hampshire and North Wilts Banking Company,' subject to and in conformity with the provisions of the deeds of settlement and laws and regulations of the Hampshire Banking Company, and that the principal banking house of the said amalgamated company shall be in the City of London, the directors of the Hampshire Banking Company are hereby authorised to take all necessary steps to make and effect such change of name, and to unite the directors of the two companies into one board for the control and management, on and after the 1st day of January, 1877, of the business of the amalgamated company, and otherwise to perform the said agreement.

2.—"That the business of the amalgamated company shall be carried on in the City of London, and in the towns and places in which the Hampshire Banking Company and the North Wilts Banking Company respectively now carry on business, and in such other towns and places as the directors of the amalgamated company shall from time to time direct.

3.—"That, on and after the 1st day of January, 1877, the banking house, for the time being, of the amalgamated company, in the City of London, shall be the principal banking house and the registered office of the company.

4.—"That, on and after the 1st day of January, 1877, all meetings of the shareholders of the amalgamated company and of the directors thereof shall be held in the City of London, or in such other place as the directors may, from time to time, determine; and every act, deed, matter, and thing whatsoever, which any existing provision of the deeds of settlement, or law, or regulation of the Hampshire Banking Company prescribes or specially authorizes to be done, executed, observed, and performed respectively at or in the town of Southampton, either by the directors, or manager, or other officers of the company, or by the shareholders, shall and may be effectually done, executed, observed and performed respectively in the City of London, and all the provisions of the deeds of settlement and laws and regulations of the Hampshire Banking Company, shall (unless something in the context be repugnant thereto) be read and construed as if throughout the same the words 'City of London' were sub-

stituted for the words 'Town of Southampton,' and the word 'London' for the word 'Southampton,' and the words 'Some London Post Office' for the words 'Southampton Post Office;' but nothing contained in this provision shall affect the carrying on, by the amalgamated company, of the ordinary business of bankers at Southampton.

5.—"That, on and after the 1st day of January, 1877, the number of directors of the amalgamated company shall be fifteen, provided, nevertheless, that it shall not be deemed requisite to the due constitution of the board of directors, while the surviving or continuing directors shall not be less than nine in number, that any vacancy in the office of director which may arise from death, resignation, disqualification, or removal shall be filled up; and the question whether any such vacancy shall or shall not be filled up shall be determined by the continuing directors for the time being of the amalgamated company; and any and every such vacancy may at any subsequent time be duly filled up if the directors shall so determine; but, whether the full number of fifteen directors be or be not kept up, three directors shall retire at every annual general meeting, unless the number of continuing directors shall from any such cause as aforesaid have been reduced prior to such meeting to less than nine, and, in that case, the retirement of directors shall be regulated by clause 59 of the original deed of settlement of the Hampshire Banking Company.

6.—"That every provision of the existing deeds of settlement, or of the laws or regulations of the Hampshire Banking Company, which is inconsistent with the preceding resolutions be and the same is hereby repealed."

And, by appointment of the directors, I hereby give you further notice, that if such resolutions be passed at such extraordinary general meeting, then a subsequent extraordinary general meeting of the shareholders of the company will be held at the aforesaid banking house of this company, on Friday, the 29th day of December, 1876, at twelve o'clock at noon, for the purpose of confirming the resolutions passed at such first-named extraordinary general meeting.

Your obedient servant,

W. S. REID, General Manager.

SIR—In the last issue of your valuable Magazine you have done me the honour to notice three essays lately published by me, wherein I have ventured to propose to the Government of India the adoption of certain important measures for the permanent rectification of the Indian exchange; with regard to which, while you concur in the main principle of the proposals, viz., the introduction of a gold standard for India, you express great doubts as to the propriety of the subsidiary measure, viz., the limitation of the rupee, by which it is to be brought into operation.

As my proposals are not without the sanction of high authority, I feel sure that they will secure your entire approval when properly explained. I trust, therefore, that you will grant me the privilege of drawing the attention of your readers to a very important fact, which cannot fail to remove the apparent objection to which you refer.

You remark:—"By restricting the supply in this manner Colonel Smith anticipates that the value of the rupees now in circulation would rise and increase in local value, as compared with commodities, till they regained their former position in relation to gold." * * * "Would not the result of this artificial appreciation of the rupee, to be attained by this means, be the artificial depreciation of the commodities?" To this I would answer, it would be so, if the rupees were at present depreciated; but the contrary to this is the fact; and if you will do me the favour to refer to paragraph 50 of my first essay, you will find it there distinctly stated, that

although the arguments justifying the measures would hold good if the rupees had greatly fallen in current market value, yet as a matter of fact they had not as yet so fallen; and hence they require no appreciation.

Professor Fawcett in the 5th edition of his *Manual of Political Economy* published in July of this year, confirms the above statement in the following passage at page 501: "On this point there seems to be conclusive evidence that up to the present time no such decline in the purchasing power of silver has taken place in India. If such a decline had occurred, general prices in that country must have advanced, whereas there seems to be no doubt that during the last three or four years, when silver has been falling in price, general prices have not advanced in India; but, on the contrary, have somewhat fallen."

From the above you will perceive that when the rupee has been restored to its former value, there will be little or no alteration of present prices, but if anything rather an improvement, than otherwise. I trust, therefore, that, on giving this fact due consideration, you will be satisfied that the objection which in the first instance appeared to present itself in opposition to my plans has, in reality, no existence.

I remain, Sir, your most obedient servant,

J. T. SMITH.

London, 21st December, 1876.

BANK NOTES—LEGAL TENDER.

SIR,—Will you kindly answer the following questions.

I. Are Bank of England notes a legal tender in Scotland and Ireland?

II. Are Scotch bank notes a legal tender in Scotland?

III. Are Irish bank notes a legal tender in Ireland?

IV. Does a cheque drawn thus, "Pay to———or order"—no payee being mentioned—require to be endorsed by the drawer?

Yours faithfully,

M.

[As to questions 1, 2, and 3,—No. As to 4, we think the name of the payee would be required, unless the cheque were endorsed by the drawer.—Ed. B. M.]

BANK CLERKS' UNDERTAKING.

SIR,—In reply to "Enquirer" in your January number I beg to inform him that it is the practice in some country banks to require clerks to embody in their agreements a clause prohibiting them from entering the service of any other bank in the same town for two years, or in the county for one year after leaving present employers.

I have seen several agreements to this effect and can hardly wonder at them, as a popular manager, or cashier, might take many customers with him when leaving one bank in a *country town* to go to another—of course the precaution would not be so necessary in London or other very large cities.

Yours truly,

ONE WHO IS UNDER SUCH AN AGREEMENT.

Salop, 4 January, 1877.

CHEQUES REMITTED TO BANKERS FOR CREDIT.

SIR,—A person whom I shall call John Morgan remits to a bank cheques payable to his order for the credit of another person whom I shall call John Jones, and endorses them thus:—"To be placed to the credit, or pay to the credit, of John Jones, at Messrs. Jacksons and Co., Bankers, London, John Morgan." I am sure many besides myself will be glad to know whether it is requisite that the bankers should endorse such cheques as follows, or something similar, "Placed to the credit of John Jones."

P. pro. Jacksons and Co., Bankers, London,
Manager.

And would the banks on whom the cheques are drawn be legally justified in refusing to pay them, unless they are endorsed in this way?

BANK ACCOUNTANT.

[An endorsement is in our opinion necessary and that of "John Jones" himself desirable, though the endorsement you suggest would probably satisfy the custom of bankers. We know of no decision of a Court of Law founded on facts as in this case—Ed. (Law Department) B. M.]

ENDORSEMENT OF BILL OF EXCHANGE.

DEAR SIR,—Will you favour me with an answer in your next issue to the following:—A bill drawn to "our order" and signed "per pro. The Tea and Coffee Company, Limited, John Jones," is accepted payable at Brown and Co., and is endorsed "For the Tea and Coffee Company, Limited, and Self, J. Smith." At maturity the bill is presented by a bank to Brown and Co., who decline to pay on the ground that the "endorsement is irregular." Is such the case, and are they justified in so doing? Thanking you in anticipation.

I am, dear Sir, yours &c.,
W. H. W.

Newcastle-on-Tyne, 10th January, 1877.

[The endorsement is so far irregular that Brown and Co. are justified in refusing to pay on such an endorsement and in the absence of any explanation from the drawers would successfully resist an action on the bill to recover the amount by such endorsee.—Ed. (Law Department) B. M.]

SCOTCH BANKING LAW.

SIR,—Will you pardon me for asking you to reconsider your opinions given in this month's number at pp. 53 and 54?

1. You say, or more properly, you leave the reader to infer, that a cheque payable to the order of "James Smith and Sons" may be properly endorsed "Smith and Sons."

Now in practice, at least in Scotland the banks refuse such endorsements on the authority of 16 and 17 Vict., cap. 59.

2. You say that the law courts would not uphold the custom of banks retaining, till the day after maturity, a dishonoured bill. Now the practice in Great Britain is all the other way. On this we may refer, as most convenient, to Byles, p. 281, 11th Edition.

3. As to the exemption from stamp duty of cheques drawn by co-operative societies, no doubt there is no exemption under the Stamp Act, 1870 (and here your opinion and that of Somerset House must consist); but is there an exemption under 18 and 19 Vict., cap. 63; 25 and 26 Vict., cap. 87; 30 and 31 Vict., cap. 117; 34 and 35 Vict., cap. 80; and 38 and 39 Vict., cap. 60? Somerset House says, No. What say you?

The thanks of bankers are due to you for your paragraph on the cash—order nuisance.

It ought to be put down *breve manu*, for it is often used in what we may not inaptly term, in fashionable phraseology, *financial operations*. Cash orders if tolerated at all should be collected never cashed to the drawer until the drawers have paid them.

Yours, &c.,

AN OLD BANKER.

Banks of Dee, January, 1877.

[1, 2, 3. We adhere to the opinions already expressed in each case, but it must be understood that our answers and comments relate especially to the law as administered in the Courts at Westminster unless anything to the contrary is expressly stated by us. Occasionally no doubt the decision in the Scotch and Irish Courts are at variance with those in the English Courts.—Ed. (Law Department) B. M.]

INDORSEMENT ON CHEQUES.

SIR,—I am obliged for your reply to my query which arose from the following facts: I remitted a cheque to one of the branches of a joint-stock bank payable to (say) "Smith and Sons" and endorsed "James Smith and Sons" which was returned unpaid, marked "endorsement irregular." Believing, as you do, that the endorsement was correct, I wrote to the head office of the bank, and received the following reply: "It is our practice to refuse such endorsements as that upon the cheque in question, for the reason that, for anything we know to the contrary, the payees and endorsers may be different firms. In this practice we have been acting upon the advice of our solicitor given some time ago, and we learn to-day that such is the present rule of the other banks here, including the Bank of England." I had therefore to get the cheque endorsed "Smith and Sons," the clever branch manager then informing me that *now* the endorsement was in proper form.

I consulted the manager of a branch of the largest joint-stock bank in the kingdom, and his opinion was that the endorsement was good in law, but he was doubtful whether some banks would accept it, but thought they ought to. Supposing the cheque had been payable to "Mr. Smith" and endorsed "James Smith," would not this be correct, and why should not the same rule apply to a firm? and after all bankers are not liable for endorsements.

It is time that some uniformity of practice was agreed to amongst bankers, as to what is, and what is not, a valid endorsement, and I hope

you will lend your valuable aid in bringing this about, as the present uncertainty is a great hindrance to business.

Yours truly,

A CASHIER OF 20 YEARS' EXPERIENCE.

Shrewsbury, 5 January, 1877.

P.S.—This morning three cheques correctly endorsed per procuration, were returned to me unpaid, marked "endorsement not known to drawees." This is another instance of the non-uniformity of practice amongst bankers, as in nearly all cases per pro. endorsements are accepted.

[As regards the endorsement in question no doubt the practice of bankers would differ in different parts of the country, but as a matter of law we repeat that the endorsement was sufficient for the purpose, in the absence of any evidence of the existence of two firms of the same name in the same locality.—Ed. (Law Department) B. M.]

WILTS AND DORSET BANKING COMPANY.

SIR,—I beg to inform you that the directors have, to-day, declared the usual Christmas dividend of 24 per cent. per annum, being, with that declared in July last, 22 per cent. for the year 1876.

Yours faithfully,

W. RUSSELL, General Manager.

January 5th, 1877.

POINTS IN BANKING PRACTICE.

DEAR SIR,—I have had my attention directed for some time to the necessity of plainly understanding if the Clearing Houses situate at Glasgow, Edinbro' and Dublin are on a similar basis to that in London; that is to say, that all banks in Scotland and Ireland, having offices at any of the above-named cities, can clear any cheques that may be presented on them at any of their branches in Ireland or Scotland. But then comes an interesting point to bankers: Is an English banker warranted in sending all cheques, on any of the *branches* of the bank he may have, to Glasgow, Edinbro,' or Dublin, as the case may be (and at the same time according to the proximity of the town), and does he incur any responsibility by so doing? I, for my own part, think not, because he has taken the readiest means of getting his cheque cashed, and, as all English bankers have usually Scotch agents, the cheque is placed to the account in the ordinary way of business; but a great many persons who are totally *ignorant* of this system, or *ignore* it altogether, send the cheque direct to the branch on which it is drawn; incur an expense of 5s. per centum, they have to debit their customer, who invariably objects to any small charges of this kind. Of course, there are some banks in Scotland which have not any head office in Glasgow and Edinbro,' and two in Ireland have not in Dublin, but even in these cases, English bankers usually keep accounts with them, on mutual terms. If such a system were established, that all English bankers had to send the cheques direct to the banks on which they were drawn, I

wonder where we should be; I think the increase in banking labour would be something immense. I should be glad to have the opinion, in your columns, of your readers on this interesting question. I am satisfied that it is the most expeditious way, both for the customer and the banker, to clear their cheques in this way. I know of one bank which regularly carries the system out, in sending all cheques to Glasgow and Edinbro.' I am sorry it is not in the town from which I date my letter. Another matter which requires attention, is with regard to the bills payable at the suburban branches of the London banks, and for which you have portorage to pay to your London agents for collecting; this is a great inconvenience. Cheques clear without charge, bills do not; there is no other alternative but to send the bills direct to be paid over, and thus *save* any charge of portorage, etc., which would be otherwise incurred. There are, I am sorry to say, some bankers who will not take p. pro indorsements after the stamp of the bank has been placed on the face of the cheque; usually bank cashiers are instructed in their business, and do not, under any circumstances, take cheques from customers unless they know the p. pro indorsement is a right one.

Your obedient Servant,

G. D. LAWSON BROWN.

Union Bank, Sheffield, January 13th, 1877.

TENDERS FOR BILLS ON INDIA.

Tenders for £350,000 in bills and telegraphic transfers on India were received, 20th December, at the Bank of England. The amounts allotted were:—To Calcutta, £173,400, average rate 1s. 9.64d.; to Bombay, £150,000, average rate 1s. 9.59d.; and to Madras, £26,600, average rate 1s. 9.52d. Tenders on Calcutta and Madras for bills at 1s. 9½d., receive about 12 per cent., on Bombay at that price about 6 per cent. for bills; everything above in full.

Tenders for £350,000 in bills and telegrams on India were received 27th December, at the Bank of England. The amounts allotted were:—To Calcutta, £270,000, average rate 1s. 9.59d.; to Bombay, £60,000, average rate 1s. 9.6d.; and to Madras, £20,000, average rate 1s. 9.68d. Tenders at 1s. 9½d. receive about 50 per cent., above in full.

Tenders for £350,000 in bills and telegrams on India were received 3rd January, at the Bank of England. The amounts allotted were:—To Calcutta, £289,000, average rate 1s. 10.08d.; and to Bombay, £61,000, average rate 1s. 10.112d. Tenders on Calcutta at 1s. 9¾d. for bills, and Bombay, 1s. 9 16-16d. for telegrams, receive about 38 per cent., above in full.

Tenders for £350,000 in bills and telegrams on India were received 10th January, at the Bank of England. The amounts allotted were:—To Calcutta, £183,300, average rate 1s. 10.015d.; to Bombay, £150,000, average rate 1s. 10d.; and to Madras, £16,700, average rate 1s. 10d. Tenders on Calcutta and Madras at 1s. 10d. for bills, and 1s. 10 1-16d. for telegrams, receive about 16 per cent.; on Bombay, at 1s. 10d. for bills, will receive about 20 per cent.

Tenders for £359,000 in bills and telegrams on India, were received 17th January, at the Bank of England. The amounts allotted were:—To Calcutta, £239,900, average rate 1s. 10.35d., and to Bombay, £110,100, average rate 1s. 10.28d. Tenders on all Presidencies, at 1s. 10 5-16d. for telegrams, and 1s. 10½d. for bills, receive about 12 per cent., above in full.

Notes of the Month.

UNITED STATES COINAGE.—The Director of the United States Mint reports that the total number of pieces struck in the fiscal year 1875-76 was 87,101,468, and the total value of the coinage \$57,565,815. The total gold coinage was \$38,178,962, and silver \$19,126,503; minor coinage \$260,350.

Notice is given by the North and South Wales Bank that a dividend of 10s. per share for the half-year ended 30th December, on the capital of the company, and a bonus of 7s. 6d. per share (being at the rate of 17½ per cent. per annum), will be paid to the proprietors, free of income tax; and that a like dividend and bonus will be paid, *pro rata*, on the new shares issued to the proprietors in January last.

The directors of the Swansea Bank (Limited) report an available balance of £11,280, which they propose to divide by paying £7,546 in a dividend at the rate of 7½ per cent., by adding £2,376 to reserve, raising it to £35,000, and carrying the balance forward.

The report of the London and Yorkshire Bank (Limited) for the past half-year announces a net profit of £4,439, including the balance brought down. A dividend at the rate of 4 per cent. is proposed, £500 is written off preliminary expenses account, and the balance of £1,071 carried forward.

The report of the Nottingham Joint-Stock Bank (Limited) states the net profits of the past year, including £1,266 brought forward, at £8,405. An interim dividend at the rate of 5 per cent. was paid last July, and the payment of a similar sum is recommended now. This will leave £1,405 to be carried forward.

The report of the National Bank states net profits of the past half-year, including £6,011 brought forward, £104,246. Of this the directors have appropriated £90,000 to the payment of a dividend at the rate of 12 per cent., or 36s. per share; £10,000 is carried to reserve, making it £90,000, and £4,246 to the new account.

The Postmaster-General has issued notice that on and after the 1st of February next telegrams for banks, counting-houses, offices, and other places of business in the City of London, which may arrive on Sundays, and after 8 p.m. on week days, will not be delivered until the following morning, unless a request be made, in writing, by the addressees that such telegrams may be delivered immediately on their arrival. The Department hopes by this means, without inconvenience to the public, to put a stop to the loss or delay of business telegrams which not unfrequently occurs through their being overlooked or mislaid after delivery at places of business which are closed.

The Central Bank of London (Limited) gives the net profit, including the balance brought forward, as £7,707, exclusive of rebate on bills not yet due. A dividend at the rate of 8 per cent. is recommended; £1,500 is added to reserve, and a balance of £2,208 carried to the new account. The bank holds cash in hand and at call amounting to £306,465, and bills, loans, &c., represent £636,647, while it is due on deposit and current accounts, £967,522.

The report of the Lancashire and Yorkshire Bank (Limited) for the year ended the 30th December, states that, including a balance of £2,159 brought forward, the net profits are £27,915. Out of this an interim dividend of 6s. per share was paid last July, and it is now proposed to pay a further dividend of 8s. per share, making 7 per cent. for the year. The reserve is increased by £6,965 to £45,000, and a balance of £3,460 carried forward. The bank has advanced on bills of exchange, &c., £1,003,346, and is due on current and deposit accounts, &c., £862,055.

The report of the Metropolitan Bank (Limited) for the past half-year gives the net revenue as £5,982, including £2,156 balance from the previous half-year. A dividend on the A shares is recommended at the rate of 8 per cent., absorbing £4,091, and the balance is carried forward.

The United Discount Corporation (Limited) state in their half-yearly report that the gross profit has been £43,042, including £6,982 brought from the previous half-year. Deducting rebate, £13,281, and current expenses, £638, a balance of £24,381 remains for division, out of which the directors propose to pay 4s. 2d. per share, which will take £10,417, including tax, and represents a dividend at the rate of 7 per cent.; £5,000 is to be added to reserve, making it £40,000, and the balance of £8,965 carried forward.

The following telegram has been received from the bank of Bombay :—" *Ad interim* dividend 5 per cent. per annum; £17,000 carried forward."

The General Credit and Discount Company (Limited), report that the year's profits were £124,198, including £10,530 brought forward. After deducting rebate and expenses, £90,035 is left for distribution, the directors propose to appropriate £75,000 for a dividend of 5 per cent. for the year, and to carry forward £15,035.

It is announced that Mr. Charles William Mills, the eldest son of Sir Charles Henry Mills, Bart., M.P., has been admitted a partner in the banking-house of Messrs. Glyn, Mills, Currie, and Co., Lombard Street.

Mr. Edward Atkinson, late joint general manager of the National Provincial Bank of England, has been elected an honorary director of the bank.

The report of the directors of the English, Scottish, and Australian Chartered Bank for the past half-year states that the net profits, including £4,819 brought forward, were £29,632. A dividend is proposed, at the rate of 8 per cent., which will absorb £24,000 of this, £2,500 is to be added to reserve, making it £70,000, £1,000 to premises account, and the balance carried forward. The bank is due £1,794,212 on bills, £356,303 on deposits, and £156,106 on notes in circulation. Its principal assets are £2,634,853 for bills receivable (including the estimated value of those overdue, loans, &c.), and cash and bullion £302,281.

Telegraphic advices announce the half-yearly dividend of the Commercial Banking Company of Sydney at the rate of 25 per cent. per annum; £25,000 is added to the reserve, increasing it to £400,000.

It is announced that Mr. James Whittall, late partner of Messrs. Jardine, Matheson, and Co., of China, has joined the Board of the Chartered Bank of India, Australia, and China.

The report of the Birmingham Joint-Stock Bank (Limited) shows a net profit of £47,920 for the past year, after making all the usual deductions, including rebate. An interim dividend at the rate of 20 per cent. was paid in July last, taking £20,390 of this sum, and it is now proposed to make a similar distribution. The balance of £7,140, less £100 carried to premises redemption fund, is added to the reserve. In the balance-sheet the principal assets are, advances on security, £1,080,577; bills discounted, £730,040; Government and other stocks, £274,444; and cash, £122,457. The bank is due to the public £1,817,572, and has a reserve of £222,530.

The report of the London and South Western Bank (Limited) shows gross profit of £29,929 for the past half-year, including £1,618 brought forward. Expenses and all the usual charges and allowances being deducted, the net balance left for distribution comes out £11,624. Out of this a dividend at the

rate of 8 per cent. is recommended, absorbing £7,200, the reserve is increased by £1,874 to £20,126, and the balance, including rebate, is carried to the new half-year. The balance-sheet shows bills discounted, loans, &c., £1,124,465, and cash in hand and lent at call, &c., £306,880 as the principal assets, while the bank owes £1,251,668 to customers on deposit and current accounts.

NEW BANK OFFICE OPENED.—The Bradford Old Bank, Limited, at Shipley, on the 1st January, 1877.

The Hampshire and North Wilts Banking Company announce a dividend for the past half-year at the rate of 20 per cent. per annum.

MONTHLY CHRONOLOGY.

28th Dec., 1876.—The Bank of Bengal has raised its rates 1 per cent.

1st Jan., 1877.—To-day, at Delhi, Lord Lytton solemnly proclaimed the Queen of England Empress of India.

1.—According to custom, New Year's Day has been observed as a holyday at the Stock Exchange.

4.—A decree has been published at Constantinople respecting the new issue of £7,000,000 T. in paper money, for the purpose of meeting extraordinary expenses and to liquidate a portion of the floating debt.

4.—Mr. Cornelius Vanderbilt ("Commodore" Vanderbilt) died at New York. His fortune is estimated at fifty millions of dollars.

5.—The Imperial Bank of Germany reduced its rate from $4\frac{1}{2}$ to 4 per cent.

8.—The Bank of Bengal has raised its rates 1 per cent.

11.—The Secretary of the United States Treasury has called in for redemption 10,000,000 dols. of 5-20 United States Bonds.

11.—The Bank of Bengal has raised its minimum rate of interest and discount to 10 per cent.

11.—The Bank of New Zealand invites tenders for £100,000, the first half of a loan of £200,000 for the city of Christchurch. It is to be in debentures payable to bearer and bearing interest at 6 per cent.

15.—At the sitting of the Conference at Constantinople to-day the European Plenipotentiaries reduced their proposals to two points—an International Commission without executive powers, and the appointment of Valis for five years by the Sultan, with the approval of the Guaranteeing Powers.

17.—The Government of India has forwarded a despatch to Lord Salisbury, in which the total cost to the State on account of relief works and other measures for mitigating the effects of the famine in the Madras and Bombay Presidencies is estimated at \$6,500,000 sterling.

18.—The Austrian Government has concluded a loan of 70,000,000 florins (gold). The contractors are the Anglo-Austrian Bank in London and Vienna, the Crédit Foncier of Austria, the Wiener Bankverein, and the Banque de Paris et des Pays Bas.

20.—The Conference on the Eastern Question has been officially closed, the Porte having declined to accede to the proposals of the Powers.

25.—The Bank of Bombay has raised its rates 1 per cent.

OBITUARY.

TRITTON.—We regret to have to record the death of Mr. Henry Tritton, a partner in the bank of Messrs. Barclay, Bevan, Tritton, Twells, and Co., of Lombard Street, which occurred on the 2nd January, rather suddenly.

SMEE.—Mr. Alfred Smeë, F.R.S., consulting surgeon to the Bank of England, died on the 11th January, at the early age of 58; his father held the office of chief accountant to the Bank for some years. Mr. Smeë was the author of several works on scientific subjects.

Monetary Rebirth.

THE year 1876 may be characterized as one of almost financial paralysis, no recovery could be noted from the collapse which had taken place after the preceding remarkable expansion of trade which culminated in 1873. Overtrading had then been carried to its utmost limits, markets were stimulated to an unhealthy degree; the pernicious system, then in full play, of financing foreign loans, at the expense of the public, promoted a fictitious appearance of increased wealth and prosperity; the prices of coal, and manufactures rose enormously; workmen's wages in some industries were run up to fabulous heights, and extravagance of living pervaded all ranks of the community. When the turning point had been passed and a slackened pace became necessary, the revulsion could not be borne at all points: some large concerns which had launched out far beyond their depth, and others which had been trading fraudulently upon fictitious capital, soon broke up. Large industries were stopped, numerous workmen were thrown out of employment, and prices and wages together had to be readjusted. The intervention of trades' unions was inevitable in the wage question, and numerous strikes had to be submitted to before terms of agreement were arrived at. Later on, the disclosures made to the Committee on Foreign Loans of the manner in which many of these transactions were financed, whilst they were the means of utterly stopping any further attempts at such nefarious proceedings and thus saving the public from heavier commitments in worthless securities, at the same time had the ulterior effect of closing several foreign markets for English manufactures by stopping the source of supply from whence those markets had hitherto drawn their resources. Naturally the revulsion came at a time when most of the markets were overstocked with goods, whilst other would-be customers for heavy materials were precluded from satisfying their wants on financial considerations, hence a depression of trade set in which has lasted to the present time. But not here alone has this been the case; similar causes have been at work in many countries, and a like condition of things has existed at most of the great centres of trade and finance.

In alluding to the condition of financial paralysis which the year 1876 has passed through, it is well to revert to those well-known causes which have been instrumental in bringing about such a state of things as we have seen to exist. By bearing these in mind we are better prepared to form our estimate of the future.

The month of January has so far shown no perceptible improvement upon what has preceded it. The increase in the demand for money at rather better prices, which we noted at the end of the year, proved to be nothing more than incidental to the period and

receded accordingly as soon as the turn of the year came, and when the dividend-money was released, even lower rates had to be submitted to. As we write, however, the tendency is upwards. The efflux of gold which has been going on at a considerable rate must, if it continue, soon bring the Bank's reserve to a condition which would require protective measures to be adopted for staying the process of diminution now in progress; or should an unusual demand for money arise in any quarter, the surplus stock of it at present weighing down the market would be soon cleared off and thus lead to higher rates.

In the Stock Exchange business was almost at a standstill till after the Christmas holidays, and then the attention of speculators became fixed upon the proceedings of the Conference at Constantinople, and the movements of the stock markets followed accordingly on the telegraphic movements which were supposed to indicate the probabilities or otherwise of war being averted—the moderated tone of the Powers in dealing with the Porte, or the supposed disposition of Turkey to yield to their demands. The aspect of Russian feeling towards Turkey has certainly modified to outward appearance, and this change has as certainly contributed to calm excitement on the bourses of Europe; but the transactions which have taken place during the month in our markets have been entered into principally amongst speculators to suit the arrangement of their accounts.

Consols have, perhaps, formed an exception to this remark. There has been some buying-in of these securities. New money must be employed somewhere, and probably a good deal of it has found its way into this investment. In railways there has been a considerable fall, the dividends having proved disappointing, whilst the traffic receipts afford no promise of better things in store. The shares of Joint-Stock Banks, on the other hand, maintain their prices generally, the dividends for the past half-year being as good as, and in some cases better than, could reasonably be expected under the conditions of trade and finance which that period has presented.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to **the Proprietors, Waterlow & Sons Limited, 25, Great Winchester Street, London**, who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1876.	£	£	%	£	£	£
April 5	27,478,700	24,465,100	89	14,555,311	18,702,842	7,614,937
12	27,722,805	24,620,870	89	14,545,365	17,882,997	4,830,451
19	27,456,670	25,042,890	91	14,545,365	17,688,330	4,963,300
26	27,458,660	25,311,825	92	14,545,365	17,696,624	5,595,377
May 3	28,219,790	25,487,495	90	14,545,365	17,813,219	5,903,334
10	27,963,835	25,500,255	91	14,545,365	17,974,474	7,660,311
17	27,902,939	25,771,835	92	14,545,365	17,223,912	7,174,782
24	27,382,790	26,240,480	96	14,545,365	16,960,746	7,638,307
31	27,784,470	26,531,105	95	14,575,861	17,077,554	7,755,817
June 7	27,780,010	26,790,095	96	14,575,818	17,484,551	8,971,487
14	27,201,615	27,509,195	101	14,594,223	17,004,986	8,558,129
21	27,006,170	28,466,060	105	14,611,341	16,901,002	8,532,991
28	27,661,255	29,063,695	105	14,611,952	17,122,865	9,069,793
July 5	28,408,850	29,371,085	103	15,399,705	17,400,313	8,766,333
12	28,272,045	30,042,680	106	15,399,705	17,493,334	4,810,839
19	28,359,275	31,386,850	110	15,335,777	17,217,416	4,732,174
26	28,314,640	31,136,860	110	15,405,977	17,011,493	4,982,160
Aug. 2	28,931,980	32,725,870	113	15,702,325	16,896,802	5,303,493
9	28,925,655	32,912,070	114	15,617,896	16,181,455	5,440,031
16	28,587,570	33,884,915	118	15,459,133	15,967,890	5,490,302
23	28,221,815	33,217,215	117	15,259,133	15,945,490	5,305,436
30	28,087,975	33,040,795	118	15,259,133	15,854,353	5,768,584
Sept. 6	28,179,985	33,509,770	119	15,260,463	16,401,132	5,974,133
13	27,876,800	34,176,790	122	15,222,963	16,023,575	6,289,384
20	27,773,460	34,205,975	123	15,229,155	16,015,085	6,591,284
27	27,973,890	34,049,270	122	15,300,264	16,010,461	7,043,838
Oct. 4	29,249,745	34,127,760	117	15,712,817	15,906,720	6,383,517
11	29,095,750	33,514,385	115	18,202,925	16,018,786	6,181,234
18	28,961,050	32,712,860	113	17,802,925	16,107,468	5,422,087
25	28,541,080	32,775,515	114	17,202,925	16,162,097	5,543,444
Nov. 1	28,782,855	32,190,735	112	17,008,228	16,639,955	5,781,462
8	28,504,940	31,019,690	109	16,308,228	16,538,345	5,666,471
15	28,037,050	30,248,020	108	15,739,297	16,502,061	5,566,667
22	27,802,905	29,643,670	107	15,739,297	16,542,567	6,037,391
29	27,554,155	28,623,170	104	15,739,297	16,752,031	6,538,842
Dec. 6	27,612,925	28,544,460	103	15,832,797	17,102,566	6,398,081
13	27,196,160	28,199,140	104	15,833,004	17,017,236	7,231,632
20	27,460,980	28,082,925	102	15,934,208	17,083,627	7,785,933
27	27,898,255	27,810,945	100	15,958,653	17,518,852	8,173,488
1877.						
Jan. 3	28,622,775	27,533,430	96	15,969,162	19,582,320	6,203,440
10	28,302,820	27,351,155	96	18,766,486	17,516,675	4,373,157
17	28,037,420	26,484,920	94	18,267,876	17,676,106	3,955,536

For the corresponding statement, from January to October, 1876, see page 343 of "The Banking Almanac" for 1877.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount.
1876.	£	£	£	£	%	
April 5	20,628,956	333,254	28,577,147	12,979,685	45	3
12	22,301,027	355,277	27,486,845	12,731,158	46	—
19	22,680,907	303,297	27,947,504	13,391,740	48	—
26	22,483,140	281,480	28,359,997	13,800,027	49	—
May 3	21,609,725	332,586	27,845,645	13,157,741	47	2
10	20,232,424	318,526	28,211,261	13,364,018	47	—
17	20,271,749	310,547	27,757,078	13,662,419	49	—
24	20,614,682	287,963	28,640,952	14,712,432	51	—
31	20,809,304	265,116	28,830,237	14,816,202	51	—
June 7	20,048,680	276,968	29,297,135	14,867,171	51	—
14	21,396,232	305,910	30,260,271	16,292,405	54	—
21	22,524,303	294,540	31,351,834	17,474,443	55	—
28	22,072,398	252,743	31,394,934	17,298,157	55	—
July 5	22,708,423	303,333	31,778,089	16,781,842	53	—
12	27,635,123	299,647	32,745,609	17,704,436	54	—
19	28,559,404	311,024	33,602,603	18,934,701	56	—
26	28,960,784	309,364	34,252,308	19,723,286	58	—
Aug. 2	28,688,877	321,219	34,313,589	19,621,201	57	—
9	27,992,567	325,224	33,757,822	19,876,623	59	—
16	28,644,306	362,741	34,497,349	21,018,406	61	—
23	23,252,255	389,520	33,947,211	20,672,917	60	—
30	27,686,451	364,589	33,819,624	20,621,351	61	—
Sept. 6	28,003,701	440,828	34,418,662	20,987,257	61	—
13	28,271,987	419,640	34,981,011	21,967,897	63	—
20	28,284,981	370,618	35,246,883	22,244,069	63	—
27	27,517,747	357,924	34,919,509	21,851,251	63	—
Oct. 4	27,196,160	373,151	33,952,828	20,566,672	60	—
11	30,003,658	416,160	33,601,052	19,999,772	55	—
18	29,857,947	401,432	35,681,466	19,396,451	45	—
25	29,488,402	358,306	35,390,152	19,653,789	55	—
Nov. 1	29,103,020	366,409	35,250,891	19,218,686	54	—
8	27,393,442	369,778	33,429,691	18,200,927	54	—
15	26,542,066	380,328	21,489,051	17,870,258	55	—
22	25,914,347	360,080	32,311,818	17,653,891	54	—
29	24,916,197	348,338	31,803,377	16,902,034	53	—
Dec. 6	25,427,699	311,946	32,137,726	16,787,290	52	—
13	24,505,596	334,620	32,072,038	16,809,930	52	—
20	23,634,924	321,397	31,742,254	16,315,553	52	—
27	22,875,676	299,153	31,348,317	15,467,179	49	—
1877.						
Jan. 3	25,936,786	328,619	32,468,845	14,591,390	45	—
10	28,385,591	381,955	33,140,703	14,694,912	44	—
17	28,086,715	349,136	32,391,887	14,317,794	44	—

For the corresponding statement, from January to October, 1876, see page 348 of "The Banking Almanac" for 187

PUBLIC INCOME AND EXPENDITURE.

The following are the receipts into and payment out of the Exchequer between April 1, 1876, and January 20, 1877 : —

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1876-77.	Total Receipts into the Exche- quer from April 1, 1876, to Jan. 20, 1877.	Total Receipts into the Exche- quer from April 1, 1876, to Jan. 22, 1876.
Balance, April 1, 1876.	£	£	£
Bank of England	—	3,826,896	4,662,261
Bank of Ireland	—	1,292,691	1,603,061
		5,119,587	6,265,322
REVENUE.			
Customs	20,250,000	16,182,000	16,193,000
Excise	27,624,000	21,083,000	20,918,000
Stamps	11,000,000	8,669,000	8,777,000
Land Tax & House Duty	2,500,000	717,000	755,000
Property and Income Tax	5,268,000	1,762,000	1,699,000
Post Office	5,950,000	4,971,000	4,881,000
Telegraph Service	1,325,000	1,050,000	1,000,000
Crown Lands	395,000	306,000	296,000
Miscellaneous	4,100,000	3,728,669	3,572,841
Revenue	78,412,000	58,468,669	58,091,841
Total, including balance		63,588,266	64,357,163
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)		700,000	—
Advances under various Acts, repaid to Exchequer		1,345,463	1,539,184
Money raised for Fortifications & Military Barracks		500,000	250,000
Money raised for Local Loans by Exchequer Bonds		1,000,000	1,500,000
Temporary Advances, not repaid		2,000,000	1,300,000
Totals	£	69,133,719	68,946,347

EXPENDITURE AND OTHER PAYMENTS.

	Estimate for the Financial Year 1876-77.	Total Issues out of Exchequer to meet Payments from April 1, 1876 to Jan. 20, 1877.	Total Issues out of Exchequer to meet Payments from April 1, 1876 to Jan. 22, 1876.
EXPENDITURE.			
Permanent charge of Debt	*27,700,000	24,877,655	24,868,268
Interest on Local & Temporary Loans	*160,000	82,260	17,500
Interest &c., on Excheqr. Bnds. (Suez)	*150,000	75,000	—
Other charges on Consolidated Fund	*1,590,000	1,498,420	1,460,840
Supply Services	†48,557,000	37,008,238	36,776,382
Estimate	78,157,000		
Expenditure		63,541,563	63,122,990
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		3,565,382	3,519,923
Expenses of Fortifications and Military Barracks..		500,000	250,000
Exchequer Bills paid off		88,600	17,500
Surplus income applied to reduce debt		—	331,867
		67,695,545	67,242,280
Balances on January 20, 1877 :—			
Bank of England		997,860	825,661
Bank of Ireland		440,314	878,406

BANK OF FRANCE.

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DEBTOR.

	Dec. 21.		Dec. 23.		Jan. 4.		Jan. 11.		Jan. 18.	
	Fr.	C.	Fr.	C.	Fr.	C.	Fr.	C.	Fr.	C.
Capital of the Bank ...	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54
Reserve of the Bank and its branches ...	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14
Reserve of landed property ...	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Special Reserve ...	20,714,209	97	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97
Notes in circulation ...	2,543,318,575	0	2,562,767,935	0	2,680,981,085	0	2,669,419,035	0	2,670,540,660	0
Bank-notes to order and receipts payable at sight ...	24,924,890	19	25,852,099	81	27,225,627	47	27,167,834	0	27,364,537	43
Treasury account current, creditor ...	92,364,792	80	114,144,341	33	79,820,777	27	65,445,131	56	68,632,404	58
Current accounts, Paris Do., branch banks ...	378,291,925	23	394,541,305	6	363,939,770	39	354,468,944	19	332,870,343	42
Dividends payable ...	42,006,414	0	39,820,908	0	38,067,099	0	35,461,020	0	35,680,362	0
Interest on securities transferred or deposited ...	1,233,185	0	12,522,659	79	10,449,490	0	6,783,985	0	4,965,695	0
Discounts and sundry interests ...	2,958,268	51	2,698,666	0	11,820,017	88	7,580,305	38	6,160,431	35
Re-discounted the last six months ...	9,978,856	67	851,403	15	1,025,233	4	1,277,522	64	1,701,561	30
Bills not disposable ...	1,696,933	8	1,662,127	11	1,662,127	11	1,662,127	11	1,662,127	11
Reserve for eventual losses on prolonged bills ...	7,621,644	75	3,258,475	18	3,337,692	71	6,923,607	1	2,684,965	9
Sundries ...	9,000,000	0	6,980,000	0	6,980,000	0	6,980,000	0	6,980,000	0
Total ...	17,113,661	32	16,137,022	24	15,944,272	25	12,033,046	83	15,680,971	28
Total ...	3,368,027,410	20	3,415,019,214	33	3,455,545,495	27	3,419,484,882	37	3,429,006,242	21

CREDITOR.

	Dec. 21.		Dec. 23.		Jan. 4.		Jan. 11.		Jan. 18.	
	Fr.	C.	Fr.	C.	Fr.	C.	Fr.	C.	Fr.	C.
Cash in hand and in branch banks ...	2,180,224,261	32	2,179,542,900	78	2,180,495,372	41	2,150,695,309	6	2,176,798,850	44
Commercial bills overdue ...	379,820	14	237,908	79	249,612	74	843,435	45	184,347	59
Commercial bills discounted, not yet due ...	215,009,516	9	250,741,797	58	271,942,959	87	249,432,496	49	246,115,353	22
Treasury bonds ...	338,845,000	0	338,845,000	0	338,845,000	0	338,845,000	0	338,845,000	0
Commercial bills, branch banks ...	224,263,204	0	240,479,471	0	277,321,395	0	275,194,687	0	265,431,831	0
Advances on deposits of bullion ...	18,685,500	0	21,810,700	0	23,111,900	0	22,857,500	0	23,082,400	0
Do. in branch banks ...	1,294,200	0	1,213,200	0	1,342,900	0	1,371,600	0	1,598,300	0
Do. in French public securities ...	28,143,800	0	28,339,500	0	28,564,600	0	28,468,800	0	28,141,000	0
Do. by branch banks ...	21,556,100	0	21,797,300	0	22,297,850	0	22,627,450	0	22,397,150	0
Do. on railway shares and debentures ...	16,588,000	0	16,625,400	0	16,665,700	0	16,501,700	0	16,269,000	0
Do. by branch banks ...	12,999,200	0	13,185,300	0	13,405,000	0	13,430,300	0	13,532,600	0
Do. on Crédit Foncier bonds ...	1,303,300	0	1,329,400	0	1,333,800	0	1,310,200	0	1,296,000	0
Do. branches ...	779,400	0	788,500	0	836,200	0	833,500	0	762,700	0
Do. to the State (Convention June 10, 1857) ...	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0
Government stock reserve ...	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14
Do. disposable ...	76,313,613	82	76,313,613	82	76,313,613	82	76,313,613	82	76,313,613	82
Rentes Immobilisées (Law of June 9, 1857) ...	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
Hotel and furniture of the Bank, and landed property of branches ...	9,068,610	0	9,075,781	0	9,071,072	0	9,067,247	0	9,066,143	0
Expenses of management ...	4,674,301	11	...	...	14,434	20	18,469	85	37,232	95
Employ of the Special Reserve ...	20,714,209	97	17,694,019	97	17,694,209	97	17,694,209	97	17,694,209	97
Sundries ...	23,709,623	61	24,006,481	24	23,059,236	12	20,501,593	59	18,468,961	8
Total ...	3,368,027,410	20	3,415,019,214	32	3,455,545,495	27	3,419,484,882	37	3,429,006,242	21

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1876. Dec. 27.	1877. Jan. 3.	1877. Jan. 10.	1877. Jan. 17.
	£	£	£	£
Notes issued	42,810,945	42,533,430	42,351,155	41,484,920
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion	27,810,945	27,533,430	27,351,155	26,484,920
Silver Bullion				
	42,810,945	42,533,430	42,351,155	41,484,920

BANKING DEPARTMENT.

	1876. Dec. 27.	1877. Jan. 3.	1877. Jan. 10.	1877. Jan. 17.
	£	£	£	£
Proprietors' capital	14,553,000	14,553,000	14,553,000	14,553,000
Reserve	3,043,367	3,121,027	3,284,370	3,317,389
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts).	8,173,488	6,203,440	4,373,157	3,955,536
Other deposits	22,875,876	25,938,788	28,385,591	28,086,715
Seven day and other bills	299,153	328,619	381,955	349,136
	48,944,684	50,142,872	50,978,073	50,261,776
Government Securities	15,958,653	15,969,163	18,766,486	18,267,876
Other Securities	17,518,853	19,582,320	17,516,676	17,675,106
Notes	14,912,690	13,910,655	14,048,335	13,447,500
Gold and Silver coin	554,489	680,735	640,577	870,294
	48,944,684	50,142,872	50,978,073	50,261,776

THE EXCHANGES.

	Dec. 29.	Jan. 5.	Jan. 12.	Jan. 19.
Amsterdam, short	12 2	12 2	12 1½	12 1½
Ditto 3 months	12 3½	12 3½	12 3½	12 3½
Rotterdam, ditto	12 3½	12 3½	12 3½	12 3½
Antwerp and Brussels, ditto	25 37½	25 37½	25 3½	25 37½
Paris, short	25 22½	25 22½	25 22½	25 22½
Ditto 3 months	25 37½	25 37½	25 35	25 35
Marseilles, ditto	25 40	25 40	25 37½	25 35
Hamburg, ditto	20 66	20 65	20 60	20 62
Berlin, ditto	20 66	20 65	20 60	20 62
Leipsic, ditto	20 66	20 65	20 60	20 62
Frankfort-on-the-Main, ditto	20 66	20 65	20 60	20 62
Petersburgh, ditto	28½	28½	28½	28½
Copenhagen, ditto	18 50	18 50	18 55	18 55
Vienna, ditto	12 85	12 75	12 80	12 87½
Trieste, ditto	12 85	12 75	12 80	12 87½
Zurich and Basle, ditto	25 47½	25 42½	25 42½	25 42½
Madrid, ditto	47	47	47	47½
Cadix, ditto	48	48	48½	48½
Seville, ditto	47½	47½	48	48½
Barcelona, ditto	48	48	48½	48½
Malaga, ditto	47½	47½	47½	47½
Granada, ditto	47½	47½	47½	47½
Santander, ditto	47½	47½	47½	47½
Bilboa, ditto	47½	47½	47½	47½
Zaragoza, ditto	47½	47½	47½	47½
Genoa, Milan, Leghorn, ditto	27 80	27 72½	27 72½	27 75
Venice, ditto	27 80	27 72½	27 72½	27 75
Naples, ditto	27 80	27 72½	27 72½	27 75
Palermo and Messina, ditto	27 80	27 72½	27 72½	27 75
Lisbon, 90 days	52½	52½	52½	52½
Oporto, ditto	52½	52½	52½	52½
Rio Janeiro, 60 days	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 10	3 17 10	3 17 10	3 17 10
Mexican Dollars	0 4 9½	0 4 10	0 4 10½	0 4 10½
Silver in Bars (Standard)	0 4 8½	0 4 9½	0 4 9½	0 4 10½

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
"	207 Private Banks	5,188,407
"	72 Joint Stock Banks	3,495,446
Scotland—	12 Joint Stock Banks	8,087,209
Ireland—	6 Joint Stock Banks	6,854,494

£32,090,556

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£475,000
1861—July 10th	175,000
1866—Feb. 21st	350,000

1,000,000

£33,090,556

Deduct Lapsed Issues—

England—	88 Private Banks	£1,345,415
"	18 Joint Stock Banks	842,453

Scotland— 1 Joint Stock Bank, combining two issues, namely:—

Ayrshire Bank	£53,656
Western Bank of Scotland	284,282

337,938

2,525,806

£30,564,750

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
"	* 113 Private Banks	3,807,992
"	54 Joint Stock Banks	2,652,998
Scotland—	† 11 Joint Stock Banks	2,749,271
Ireland—	6 Joint Stock Banks	6,354,494

£30,564,750

* Note.—The number of Private Banks authorized to issue their own notes

in England, by the Act of 1844, was 207

Diminished in number by amalgamation 6

Lapsed Issues 88

94

113

† The number of Banks authorized to issue their own notes in Scotland, by the Act of 1845, was 19

Diminished in number by amalgamation 6

Lapsed Issues, as stated above 2

11

ENGLISH FUNDS.

	Price on Jan. 19.	Highest.	Lowest	Price on Dec. 22.
Consols	95½	95½	93½	94½
Exchequer Bills	..	80/ pm.	23/ pm.	26/ pm.

Bank Rate of Discount 2 per cent.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Dec. 2.	Dec. 9.	Dec. 16.	Dec. 23.
	£	£	£	£	£
1 Ashford Bank	11,849	10,519	9,761	9,820	10,254
2 Aylesbury Old Bank	48,461	18,673	17,641	16,900	16,616
3 Baldock and Biggleswade Bank	37,223	14,721	15,148	15,039	14,945
4 Barnstaple Bank	17,182	3,107	8,081	2,993	8,018
5 Bedford Bank	34,218	28,024	28,021	26,980	27,686
6 Bicester and Oxfordshire Bank.....	27,090	14,945	14,576	13,777	13,603
7 Boston Bank—Garfit and Co.	75,069	53,087	50,209	51,515	51,520
8 Bristol Bank.....	48,277	18,013	17,804	17,905	18,842
9 Broseley and Bridgnorth Bank.....	26,717	12,329	12,113	11,769	11,311
10 Buckingham Bank	29,657	18,033	18,380	17,999	17,433
11 Bury and Suffolk Bank	82,362	32,516	32,688	31,056	32,290
12 Banbury Bank	48,457	19,354	19,735	19,530	20,249
13 Banbury Old Bank	55,153	17,635	17,447	17,461	17,401
14 Bedfordshire Leighton Buzzard Bk. .	36,829	31,971	31,881	30,507	29,631
15 Brecon Old Bank.....	68,271	35,270	32,562	32,448	31,393
16 Brighton Union Bank	33,794	19,955	20,424	20,348	20,891
17 Burlington and Driffield Bank	12,745	12,187	11,656	11,466	11,059
18 Bury St. Edmunds Bank	3,201	2,050	2,113	2,170	2,070
19 Cambridge Bank—Mortlock & Co. ...	25,744	11,498	11,351	11,696	13,777
20 Cambridge and Cambridgeshire Bank	49,916	41,880	41,046	40,542	40,570
21 Canterbury Bank	33,671	20,054	19,260	18,556	18,378
22 Colchester Bank	25,082	10,332	10,638	10,229	10,110
23 Colchester and Essex Bank	48,704	22,412	22,155	22,790	22,913
24 Cornish Bank	49,869	26,760	26,865	26,560	27,198
25 City Bank, Exeter	21,527	10,424	10,078	10,443	10,955
26 Craven Bank—Birkbeck and Co.	77,154	71,501	71,006	69,613	68,500
27 Derby Bank—Messrs. Evans and Co. .	13,332	12,401	12,798	11,707	11,739
28 Derby Bank—Smith and Co.	41,304	26,912	27,251	26,675	28,627
29 Derby Old Bank	27,237	26,006	26,200	25,696	25,647
30 Devizes and Wiltshire Bank	20,674	4,459	4,396	4,332	4,605
31 Darlington Bank	86,218	84,200	83,589	83,149	80,597
32 Devonport Bank	10,664	5,113	4,499	4,776	4,910
33 Dorchester Old Bank	48,807	81,015	30,985	30,937	31,693
34 East Cornwall Bank	112,280	79,492	80,567	88,172	81,529
35 East Riding Bank	53,392	50,745	49,313	48,657	47,826
36 Essex Bk. and Bishop's Stortford Bk.	69,637	33,768	33,698	33,315	33,566
37 Exeter Bank	37,894	15,519	16,051	16,372	16,864
38 Farnham Bank.....	14,202	6,060	6,025	5,970	5,807
39 Faversham Bank	6,681	5,139	4,988	5,012	4,647
40 Godalming Bank	6,322	5,663	5,335	5,015	4,631
41 Guildford Bank	14,524	10,135	10,082	10,939	10,974
42 Grantham Bank—Hardy and Co.....	30,372	16,603	16,215	15,943	15,694
43 Hull and Kingston-upon-Hull Bank..	19,979	20,419	20,400	18,198	17,958
44 Huntingdon Town and County Bank	56,591	22,879	22,174	21,879	21,740
45 Harwich Bank	5,778	4,065	4,050	4,155	4,250
46 Hertfordshire, Hitchin Bank	38,764	27,909	29,086	28,337	28,175
47 Ipswich Bank	21,901	16,568	16,442	16,321	16,330
48 Ipswich and Needham Market Bank	80,699	44,100	42,815	43,131	42,508
49 Kentish Bank—Mercers and Co.	19,895	18,340	17,960	17,886	17,745
50 Kingston and Radnorshire Bank	26,060	21,024	21,065	20,911	19,356
51 Knarborough Old Bank	21,825	21,328	20,965	20,225	19,019
52 Kendal Bank.....	44,663	42,035	41,007	41,021	40,562
53 Leeds Bank	130,757	130,502	123,940	119,997	118,354

(NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Dec. 2.	Dec. 9.	Dec. 16.	Dec. 23.
	£	£	£	£	£
54 Leeds Union Bank	87,459	88,085	85,591	85,478	86,817
55 Leicester Bank	82,322	24,922	24,684	24,273	24,120
56 Lewes Old Bank	44,836	21,208	20,265	20,595	20,640
57 Lincoln Bank	100,342	96,152	92,640	90,549	89,555
58 Llandoverly Bank and Llandilo Bank	82,945	24,863	23,102	21,268	19,129
59 Loughborough Bank	7,359	6,688	6,289	6,170	5,990
60 Lymington Bank	5,088	2,020	2,136	2,099	2,180
61 Lynn Regis and Lincolnshire Bank..	42,817	25,621	24,607	24,148	24,396
62 Lynn Regis and Norfolk Bank	13,917	7,884	7,401	7,687	7,582
63 Macclesfield Bank	15,760	9,282	8,754	8,660	8,963
64 Miners' Bank	18,688	15,885	15,828	15,994	16,299
65 Monmouth Old Bank	16,885	1,827	1,918	2,112	1,846
66 Newark Bank	28,788	10,253	10,069	9,289	9,293
67 Newark and Sleaford Bank	51,615	88,715	87,646	86,816	84,850
68 Newbury Bank	36,787	11,198	11,131	10,961	10,460
69 Newmarket Bank	23,098	14,111	13,980	13,462	13,650
70 Norwich and Norfolk Bank	105,519	76,220	75,876	77,285	81,121
71 Naval Bank, Plymouth	27,321	18,809	18,685	19,170	19,565
72 New Sarum Bank—Pinckney Bros...	15,659	8,698	8,593	8,492	8,544
73 Nottingham Bank	81,047	30,751	31,768	29,889	30,336
74 Oswestry Bank	18,471	6,361	6,815	6,507	7,195
75 Oxford Old Bank	84,391	28,492	28,248	28,616	29,848
76 Old Bank, Tonbridge	13,183	10,860	10,885	10,591	10,890
77 Oxfordshire Witney Bank	11,352	5,460	5,275	5,289	5,685
78 Pease's Old Bank, Hull	48,807	49,070	48,247	46,177	46,244
79 Penzance Bank	11,405	6,663	7,189	7,450	7,585
80 Reading Bank—Simonds and Co.....	37,519	17,920	18,373	17,896	17,929
81 Reading Bk.—Stephens, Blandy & Co.	43,271	24,579	24,311	24,298	24,599
82 Richmond Bank, Yorkshire	6,889	6,885	6,878	6,585	6,669
83 Royston Bank	16,398	7,123	7,267	7,297	7,204
84 Rye Bank	29,864	7,220	6,780	6,601	6,440
85 Saffron Walden and North Essex Bk.	47,646	20,362	20,570	19,965	20,201
86 Salop Bank	22,338	4,025	4,202	3,985	4,082
87 Scarborough Old Bank	24,813	24,680	24,181	23,873	22,945
88 Shrewsbury Old Bank	43,191	22,779	22,639	22,610	22,392
89 Sittingbourne and Milton Bank	4,789	1,791	1,921	1,988	1,789
90 Southampton Town and County Bank	25,359	7,286	7,585	7,640	8,088
91 Stamford and Rutland Bank	31,858	11,806	11,046	11,375	11,235
92 Shrewsbury and Welchpool Bank....	25,336	18,287	17,972	17,185	17,580
93 Tavistock Bank	13,421	11,237	10,371	10,167	9,642
94 Thornbury Bank	10,026	5,615	5,881	6,177	6,070
95 Tiverton and Devonshire Bank	13,470	4,849	4,881	5,142	5,817
96 Thrapstone and Kettering Bank	11,559	10,533	10,385	10,129	10,425
97 Tring Bank and Chesham Bank	13,531	12,550	12,440	12,154	11,440
98 Towcester Old Bank	10,801	5,055	5,580	5,518	5,498
99 Union Bank, Cornwall	17,008	10,335	10,246	10,240	10,515
100 Uxbridge Old Bank	25,186	5,466	5,585	5,830	5,016
101 Wallingford Bank	17,064	3,965	3,965	3,876	4,069
102 Warwick and Warwickshire Bank ..	30,504	22,698	22,457	22,297	23,362
103 Wellington Somerset Bank	6,528	3,492	4,138	3,967	3,863
104 West Riding Bank	46,158	47,465	46,427	43,722	42,288
105 Whitby Old Bank	14,258	13,760	13,875	13,073	12,889
106 Winchester, Alresford and Alton Bk.	25,892	8,605	8,850	8,337	8,482
107 Weymouth Old Bank	16,461	10,567	10,614	10,380	10,796
108 Wisbech and Lincolnshire Bank	59,713	33,837	32,802	31,573	31,525
109 Wiveliscombe Bank	7,602	1,727	1,678	1,810	1,850
110 Worcester Old Bank	87,448	40,970	41,341	39,778	40,750
111 Yarmouth and Suffolk Bank	53,060	36,817	37,282	52,090	64,413
112 Yarmouth, Norfolk, and Suffolk Bank	13,229	9,824	9,484	14,766	13,287
113 York Bank	46,387	46,980	44,600	43,218	40,196

JOINT STOCK BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Dec. 2.	Dec. 9.	Dec. 16.	Dec. 23.
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	10,712	10,410	10,138	10,025
2 Barnsley Banking Company.....	9,563	9,575	8,868	8,286	8,918
3 Bradford Banking Company	49,292	47,545	48,025	47,381	47,935
4 Bank of Whitehaven	32,681	25,378	24,348	23,612	23,406
5 Bradford Commercial Banking Co. ..	20,084	19,981	19,321	19,900	19,432
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	46,198	44,920	44,192	45,154
7 Chesterfield & N. Derbyshire Bk. Co..	10,421	10,751	10,257	9,795	9,138
8 Cumberland Union Banking Co.....	35,895	31,633	32,451	32,591	33,665
9 Coventry and Warwickshire Bk. Co....	28,734	14,837	14,304	14,173	14,751
10 Coventry Union Banking Company ..	16,251	14,895	15,385	15,235	14,560
11 County of Gloucester Banking Co.....	144,352	87,334	88,265	87,141	87,153
12 Carlisle and Cumberland Banking Co.	25,610	23,038	22,056	21,764	21,343
13 Carlisle City and District Bank	19,972	19,761	19,937	19,730	20,035
14 County of Stafford Bank	9,418	6,911	6,791	7,156	6,759
15 Derby and Derbyshire Banking Co. ..	20,093	18,931	18,875	19,462	20,112
16 Darlington District Joint Stock Bk. Co.	26,134	26,069	26,728	24,425	23,172
17 Gloucestershire Banking Company	155,920	134,475	131,606	128,201	126,501
18 Halifax Joint Stock Bank.....	18,534	18,109	17,990	18,476	18,681
19 Huddersfield Banking Company.....	37,354	35,823	34,614	35,210	35,942
20 Hull Banking Company	29,333	29,242	28,402	28,505	29,325
21 Halifax Commercial Banking Co.	13,733	9,925	9,640	9,250	9,715
22 Halifax and Huddersfield Union Bank	44,187	30,716	30,380	29,374	28,720
23 Helston Banking Company.....	1,503	1,500	1,508	1,490	1,485
24 Knaresborough and Claro Banking Co.	23,059	27,347	27,132	27,753	26,696
25 Lancaster Banking Company	64,311	57,121	55,850	56,536	56,409
26 Leicestershire Banking Company	86,060	64,803	63,197	62,442	62,085
27 Lincoln and Lindsey Banking Co.....	51,620	46,071	47,054	48,120	49,341
28 Leamington Priors and Warwickshire Banking Company	13,875	11,169	11,513	10,895	11,871
29 Ludlow and Tenbury Bank	10,215	9,038	8,964	9,537	9,489
30 Moore and Robinson's Notts. Bkg. Co.	35,813	37,000	35,163	32,037	34,692
31 Nottingham and Notts. Banking Co. ..	29,477	27,311	27,110	28,371	28,969
32 North Wilts Banking Company	63,939	35,948	35,575	35,100	32,745
33 Northamptonshire Union Bank	84,356	55,818	56,426	55,567	54,530
34 Northamptonshire Banking Company	26,401	16,669	17,651	17,353	16,845
35 North and South Wales Bank.....	63,951	58,604	59,724	58,985	58,890
36 Pares's Leicestershire Banking Co.	59,300	49,730	48,750	47,573	49,161
37 Sheffield Banking Company	35,843	24,609	24,034	22,418	22,679
38 Stamford, Spalding & Boston Bk. Co.	55,721	48,680	47,971	46,873	45,769
39 Stuckey's Banking Company	356,976	300,728	304,493	301,038	303,591
40 Stourbridge & Kidderminster Bkg. Co.	56,830	47,362	46,641	44,424	43,899
41 Sheffield and Hallamshire Bkg. Co.	23,524	21,875	22,145	21,555	22,620
42 Sheffield & Rotherham Joint Stock Bk.	52,496	49,741	49,358	48,742	49,087
43 Swaledale and Wensleydale Bkg. Co.	54,372	52,718	51,780	50,673	49,464
44 Wolverhampton and Staffordshire Bk.	35,378	15,759	15,420	14,759	15,345
45 Wakefield and Barnsley Union Bank..	14,604	14,030	14,265	13,977	13,439
46 Whitehaven Joint Stock Bkg. Co.	81,916	29,635	26,115	25,935	25,182
47 West of Eng. & S. Wales District Bk.	83,535	71,054	70,393	69,306	67,128
48 Wilts and Dorset Banking Company..	76,162	73,833	73,760	76,097	75,779
49 West Riding Union Banking Company	34,029	33,052	33,711	33,497	32,263
50 Whitechurch & Ellesmere Bk. Co.	7,475	4,773	4,573	4,695	4,883
51 Worcester City and County Bk. Co.	6,848	1,325	1,200	1,150	1,500
52 York Union Banking Co.....	71,240	71,174	70,922	70,682	70,151
53 York City and County Banking Co.	94,695	94,206	98,686	91,055	88,610
54 Yorkshire Banking Company	122,532	115,590	111,342	112,523	113,278

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 23rd December, 1876.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland	3,738,428	1,969,500	1,305,500	3,275,000	555,606
Provincial Bank of Ireland	927,667	500,487	452,902	953,389	426,358
Belfast Bank	281,611	281,781	346,957	578,739	384,501
Northern Bank	213,440	219,628	339,872	559,500	423,554
Ulster Bank	311,079	420,695	436,546	857,241	715,148
The National Bank	852,269	928,692	668,936	1,597,628	1,069,590
TOTALS (Irish Banks)....	6,354,494	4,270,733	3,550,713	7,821,447	3,564,757

SCOTCH BANKS.

Bank of Scotland	343,418	250,292	500,841	751,133	517,309
Royal Bank of Scotland	216,451	278,750	509,944	788,694	681,587
British Linen Company	438,024	193,578	408,576	602,155	242,028
Commercial Bank of Scotland..	374,890	270,557	601,094	871,652	624,063
National Bank of Scotland	297,024	209,756	453,270	668,026	454,084
Union Bank of Scotland	454,346	291,712	564,152	855,864	563,560
Aberdeen Town & County Bank	70,133	115,510	138,202	253,712	220,599
North of Scotland Banking Co.	154,319	201,775	202,600	404,375	288,965
Clydesdale Banking Company..	274,321	214,672	864,200	578,872	397,476
City of Glasgow Bank	72,921	251,516	438,455	689,971	678,787
Caledonian Banking Company ..	53,434	54,563	100,733	155,297	107,266
TOTALS (Scotch Banks)....	2,749,271	2,332,681	4,282,067	6,614,751	4,775,719

BANKERS' CLEARING HOUSE RETURNS.

THE FOLLOWING IS THE RETURN OF PAID CLEARING FOR THE

WEEK ENDING DEC. 27TH.	WEEK ENDING JAN. 3RD.	WEEK ENDING JAN. 10TH.
Thursday £13,395,000	Thursday .. £15,445,000	Thursday £19,954,000
Friday	Friday	Friday
Saturday 15,548,000	Saturday 28,671,000	Saturday
Saturday 19,572,000	Saturday 19,776,000	Saturday 18,128,000
Monday	Monday 18,424,000	Monday
Tuesday	Tuesday 16,896,000	Monday
Tuesday	Tuesday 14,615,000	Tuesday 15,306,000
Wednesday .. 16,993,000	Wednesday .. 14,615,000	Tuesday 14,087,000
Wednesday .. 16,993,000	Wednesday .. 14,615,000	Wednesday .. 12,992,000
£65,508,000	£118,327,000	£96,200,000

WEEK ENDING JAN. 17TH.	WEEK ENDING JAN. 24TH.
Thursday £12,378,000	Thursday £16,650,000
Friday	Friday
Saturday	Saturday
Saturday	Saturday
Monday	Monday
Monday	Monday
Tuesday	Tuesday
Tuesday	Tuesday
Wednesday 32,877,000	Wednesday 13,312,000
£106,152,000	£91,069,000

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING DEC. 23rd, 1876.**

	Fixed Issues.	Dec. 2.	Dec. 9.	Dec. 16.	Dec. 23.
	£	£	£	£	£
118 Private Banks	3,807,992	2,464,169	2,425,849	2,410,952	2,423,895
54 Joint Stock Banks	2,652,993	2,240,102	2,223,499	2,194,945	2,191,164
167 Totals	6,460,985	4,704,271	4,649,348	4,605,897	4,615,059

Average Weekly Circulation of these Banks for the month ending Dec. 23, 1876:—

Private Banks	£2,481,216
Joint-Stock Banks	2,212,427

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,643,643

On comparing these amounts with the Returns for the month ending Nov. 25th last, they show:—

<i>A decrease in the notes of Private Banks, of</i>	£103,110
<i>A decrease in the notes of Joint-Stock Banks, of</i>	78,147

Total decrease on the month £181,257

And, as compared with the month ending Dec. 25th, 1875:—

<i>A decrease in the notes of Private Banks, of</i>	£21,844
<i>A decrease in the notes of Joint-Stock Banks, of</i>	46,791

Total decrease as compared with the same period of last year £68,135

The following is the comparative state of the circulation as regards the fixed issues:—

<i>The Private Banks are below their fixed issues</i>	£1,376,776
<i>The Joint-Stock Banks are below their fixed issues</i>	440,566

Total below their fixed issues £1,817,342

SUMMARY OF IRISH AND SCOTCH RETURNS TO DEC. 23rd, 1876.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

<i>Average Circulation of the Irish Banks</i>	£7,821,447
<i>Average Circulation of the Scotch Banks</i>	6,614,751

Total Average Circulation of these Banks for the past month £14,436,198

On comparing these amounts with the Returns for the month ending 25th Nov. last, they show:—

<i>Decrease in the Circulation of Irish Banks</i>	£322,722
<i>Decrease in the Circulation of Scotch Banks</i>	400,992

Total decrease on the month £723,714

And as compared with the month ending Dec. 25th, 1875, they show:—

<i>Decrease in the Circulation of Irish Banks</i>	£145,826
<i>Increase in the Circulation of Scotch Banks</i>	537,093

Total increase as compared with the same period of last year £191,267

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	..	6,854,494
11 Banks in Scotland, allowed to issue	..	..	..	..	..	2,749,271
17 Banks in all, allowed to issue	..	..	..	..	..	£9,108,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	..	£1,466,953
Scotch Banks are above their fixed issue	..	..	..	..	..	8,865,490

Total above the fixed issue	..	..	..	..	..	£5,332,438
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	..	£3,564,757
Gold and Silver held by the Scotch Banks	..	..	..	..	..	4,775,719

Total of Gold and Silver Coin	..	..	..	..	..	£8,340,476
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Being a decrease of £65,065 on the part of the Irish Banks, and a decrease £163,429 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO DEC. 23rd, 1876.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	Dec. 23.	Nov. 25.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 20th Dec.)	27,456,055	28,281,938	..	825,883
Private Banks	2,431,216	2,534,326	..	103,110
Joint-Stock Banks	2,212,427	2,290,574	..	78,147
Total in England	32,099,698	33,106,898	..	1,007,140
Scotland	6,614,751	7,015,743	..	400,992
Ireland	7,821,447	8,144,169	..	322,722
United Kingdom	46,535,896	48,266,750	..	1,730,854

The comparison of the month ending Dec. 25th, 1875, with the month ending Dec. 23rd, 1876, shows an *increase* in the Bank of England circulation of £291,304, a *decrease* in Private Banks of £21,844, and a *decrease* in Joint-Stock Banks, of £46,791, being a total *increase* in England of £223,169, while in Scotland there is an *increase* of £387,093; and in Ireland a *decrease* of £146,826. Thus showing that the month ending the 23rd Dec., as compared with the same period last year, presents an *increase* of £223,169 in England, and an *increase* of £414,436 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending Dec. 20th gives an average amount in both departments of £29,159,757. On a comparison of this with the Return for the previous month, there appears to be a *decrease* of £2,358,121; and an *increase* of £6,107,895 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending Dec. 23rd was £8,340,476; being a *decrease* of £228,494, as compared with the Return of the previous month, and an *increase* of £232,314, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share.	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	10½
Feb. Aug.	6 "	25	Alliance, Limited	10	13
Jan. July	200d.	20	Anglo-Austrian	120d.	6½
Mar. Sep.	10 p. ct.	20	Anglo-Californian, Limited	10	
May Nov.	10 p. ct.	20	Anglo-Egyptian Banking, Limited	all	13½
Mar. Sep.	7½ p. ct.	20	Anglo-Foreign Banking, Limited	10	
"	"	100d.	Anglo-Hungarian	all	
Feb. Aug.	5 "	20	Anglo-Italian, 1866, Limited	10	
Mar. Sep.	12½ "	40	Bank of Australasia	all	75
April Oct.	8 "	20	Bank of British Columbia	all	
"	8 "	20	Ditto New, issued at £2 pm.	10	
Jan. July	6 "	10	Bank of Constantinople	6	
Feb. Aug.	10 "	25	Bank of Egypt	all	37
"	12 "	Stk.	Bank of Ireland	100	
Jun. Dec.	5 "	20	Bank of Roumania	8	
Jan. July	10 "	25	Bank of South Australia	all	
April Oct.	12 "	50	Bank of Victoria, Australia	25	
Jan. July	15 "	10	Bank of New Zealand	all	
"	6 "	50	British North American	all	65½
Feb. Aug.	8 "	10	Central of London, Limited	5	
April Oct.	5 "	20	Chartered of India, Australia, and China	all	20½
"	8 "	25	Chartered Merc. of India, London and China	all	29½
Jan. July	8 "	20	City	10	13½
"	13½ "	100	Colonial	30	
April Oct.	5 "	6	Commercial Bank of Alexandria, Limited	3	
Jan. July	10 "	10	Consolidated, Limited	4	7½
April Oct.	2½ "	25	Delhi and London, Limited	all	
May Nov.	8 "	20	English Bank of Rio de Janeiro, Limited	10	
Feb. Aug.	8 "	20	English, Scottish, and Australian Chartered	all	
"	"	20	Franco-Egyptian, issued at 5 pm.	10	
April Oct.	6 "	28½	Hong Kong and Shanghai Bank Corporation	all	32½
Jan. July	6 "	50	Imperial, Limited	15	
"	"	20	Imperial Ottoman	10	4½
April Oct.	8 "	25	Ionian	all	
"	8 "	25	Ditto, New	10	
May Nov.	"	20	Land Mortgage Bank of India, Limited	5	1½
Jan. July	"	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	
Mar. Sep.	"	30	London Bank of Mexico & South America, Lim.	20	
"	6 "	30	Ditto, New	10	
Jun. Dec.	8 "	20	London Chartered of Australia	all	27
Feb. Aug.	16 "	50	London and County	20	63½
"	16 "	50	Ditto, New, 1874, iss. at 10 pm.	20	
Jan. July	15 "	50	London Joint Stock	15	40
Feb. Aug.	12½ "	10	London and Provincial, Limited	5	
Jun. Dec.	4 "	100	London and River Plate, Limited	40	
"	4 "	25	Ditto, New	10	8½
Mar. Sep.	8 "	10	London and San Francisco, Limited	all	
May Nov.	"	20	London and South African	all	
Feb. Aug.	8 "	100	London and South Western, Limited	20	25
"	14 "	100	London and Westminster	20	
April Oct.	10 "	20	Mercantile Bank of the River Plate, Limited	all	
Mar. Sep.	8 "	100	Merchant, Limited	25	
Jan. July	8 "	10	Metropolitan A } B receives no dividend until {	all	
"	"	10	Ditto B } 10 per ct. has been paid to A {	all	
"	8 "	70	Ditto, New, A	1½	
Feb. Aug.	8 "	100	Midland, Limited	20	
"	12 "	50	National	30	
Jun. Dec.	9 "	5	National of Australasia	4	
Feb. Aug.	6/13¼ p. ct.	25	National of Liverpool, Limited	15	
Jan. July	6 "	10	National of New Zealand, Limited	3½	3½
Jun. Dec.	20 "	50	National Provincial of England	21	
"	20 "	20	Ditto, ditto	12	
"	20 "	20	Ditto, New, 1874, iss. at £10 prem.	10	
April Oct.	5 "	20	New London and Brazilian, Limited	10	
May Nov.	17½ "	20	New South Wales	all	53½
Feb. Aug.	6½ "	20	North Eastern, Lim., iss. at 3 pm., already paid	6	
Feb. Aug.	8 "	24	North Western	7½	
April Oct.	10 "	25	Oriental Bank Corporation	all	46½
Jan. July	15 "	100	Provincial of Ireland	25	
"	15 "	10	Ditto, New	all	
May Nov.	12 "	100	Standard of British South Africa, Limited	25	37½
Jan. July	16 "	25	Union of Australia	all	58½
"	12½ "	50	Union of London	15½	41

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

MARCH, 1877.

TREATIES OF COMMERCE BETWEEN ENGLAND AND FRANCE, NOW AND A CENTURY SINCE.

THE beneficial effects of the Treaty of Commerce of 1860, between this country and France—the great work of Mr. Gladstone and of Mr. Cobden—are well exhibited in the following statement of the exports and imports between the two countries immediately before the treaty came into operation, and in the year 1875.

When we examine the list we shall see that great as the increase has been in the exports to France from Great Britain, it has been considerably surpassed by the increase in the imports which we have made from that country. The condition of our people has prospered so much, that in almost every department of trade there has been an enormous growth in the quantity and in the values of the articles we have been able to purchase. Thus the imports of articles of food have more than tripled; and the imports of articles of dress, most of which far more represent the luxuries than the necessities of life, have increased more than six-fold. The imports of silk manufactures and silk have also made an enormous advance. If we have gained by this extension of trade, France has gained on her side, and largely. Articles of food, and of dress also, have been sent in vastly increased quantities from this side of the channel, satisfying wants and requirements which our neighbours must have felt, or they would never have purchased the goods. The increase has been greater in our dealings with France than in the dealings of France with us. This is partly due, no doubt, to our Free-trade policy, which has so greatly strengthened the resources of this country, while France has adhered to her Protectionist policy;

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and partly, also, to the influence of the terrible struggle which France has gone through during the last war—a struggle which must have greatly restricted the purchasing power of her people.

IMPORTS INTO GREAT BRITAIN FROM FRANCE.

	1858.	1875.	1775.
Cattle, corn, butter, sugar, wine, and other articles of food	£8,010,961 ..	£19,038,197 ..	£30,341
Gloves, flowers, laces, and articles of dress ..	627,263 ..	3,925,735 ..	123
Wool—sheep and lambs' ..	27,937 ..	87,027 ..	4,188
Woollen manufactures and woollen rags ..	581,422 ..	3,216,872	
Silk manufactures and silk, &c.	2,835,457 ..	9,893,295	
Cotton, raw	157,160 ..	41,860 ..	14,099
Cotton manufactures ..	312,587 ..	537,677	
Clocks, pictures, &c. ..	330,890 ..	1,170,929 ..	1,067
Oils	239,025 ..	437,038 ..	11
Iron and steel manufactures	6,074 ..	117,108	
Flax, paper, chymicals, glass, china ware, &c.	2,671,051 ..	8,254,363 ..	23,291
	<u>£13,271,890</u> ..	<u>£46,780,101</u> ..	<u>£73,120</u>

EXPORTS TO FRANCE FROM GREAT BRITAIN.

	1858.	1875.	1775.
Corn and articles of food, including wine ..	£124,133 ..	£879,549 ..	£64,271
Apparel	38,282 ..	81,913	
Wool—sheep and lambs' ..	1,514,087 ..	5,975,880	
Woollens, worsted, yarns, &c.	457,601 ..	3,658,970 ..	16,481
Silk manufactures and silk, &c.	2,507,272 ..	2,268,958 ..	206
Cotton, raw	148,183 ..	623,479	
Cotton yarn	63,393 ..	338,406	
Cotton manufactures ..	329,068 ..	1,887,184 ..	1,090
Oils	175,706 ..	494,718	
Iron, wrought and unwrought, copper, lead, &c.	1,090,443 ..	1,502,794 ..	43,756
Steam engines and machinery	260,142 ..	585,276	
Coal, cinders, culm, and coal products	578,232 ..	1,790,340 ..	13,020
Flax, linen, &c.	384,917 ..	1,234,091	
Hides—skins and furs ..	46,318 ..	662,895	
Chymicals, dyes, paints, &c.	106,844 ..	930,613 ..	12,191
Other articles	1,527,590 ..	4,377,389 ..	353,439
	<u>£9,242,201</u> ..	<u>£27,292,455</u> ..	<u>£504,454</u>

By way of comparison with the address recently issued by the Manchester Chamber of Commerce to the French Chambers of Commerce and people, we have referred to the papers laid before Parliament, "Pursuant to an Order of the Honourable House of Commons, date February 2, 1787," in connection with the Treaty with France of 1786, carried by William Pitt, and have placed opposite the figures for 1858 and 1875, the corresponding amounts a century since, as given in the returns published at that period. These returns give an account of the trade between England and France during the years 1714-87. As we turn over their pages they show at a glance the relations between the two countries for nearly half a century. The feelings of animosity which had existed between the countries had, however, become greatly softened by the year 1786; and William Pitt, then in the full vigour of his career, sought to unite the two countries in cordial friendship, by developing that commercial intercourse between them which had been too often interrupted. It is quite curious to turn to the Parliamentary Debates of 1787, and to read the arguments which were advanced in the House of Commons against the proposed Treaty; and how firmly the idea that the country which imposed a high duty on goods imported was the one benefited, was implanted in the minds of almost all Englishmen then, as we fear that it still is in the minds of many foreign nations now. We find William Pitt himself defending his Treaty on the ground that a higher duty would be charged in England on the productions of France, than the duty to be charged in France on English goods. "To show how ill-judged a notion it was that France had the advantage of Great Britain in the Treaty," Pitt—we are quoting from the record of the debate—"entered into a comparison between the objects of trade which each country could furnish, and pointed out their effect on the revenue of each. He observed that our most ingenious and laborious manufactures in steel and other metals, were to be admitted into France on paying a duty of only ten per cent., after having employed a considerable capital and afforded a living to innumerable manufacturers, whereas the wines of France were to pay us a duty of above one hundred per cent., though a commodity which had required no very considerable degree either of industry or capital to bring to perfection. So that if we should import of their commodities only to the amount of £500,000, we should have a clear income to our revenue of more than that sum; but that if they were to import to the value of one million of ours, they would have only a revenue of about £100,000." This statement bears a remarkable similarity to the observations made

recently by the Chamber of Commerce of Elbœuf in reply to the address of the Manchester Chamber. But Pitt's object in arranging the Treaty was not so much commercial as political. He thought, and rightly thought, a friendly feeling between the two great countries of England and France worth every effort which he could make. He had to meet the fierce invectives of Fox, and the stern opposition of Burke, and had to use every argument in his power to carry his measure. The commercial policy of the two nations has changed much since that period; for then the commercial policy of France was, in these respects, more liberal than that of England. Pitt's words, that he desired to lay "a foundation for an amicable intercourse between the two countries," reveal the motive, the very honourable motive, which was the keystone of his policy in proposing this treaty.

Future times will, we cannot doubt, speak of Mr. Gladstone's Treaty, unless some vast calamity deprives the two countries of the benefits to be derived from it, in the language which he applied to Pitt and the earlier treaty, as "One of the very best and very wisest measures ever adopted by Parliament, and which contributed at least as much as any passage of his brilliant career to the fame of the great statesman who introduced it." The increase of communication between France and England was already so great in 1862 that Mr. Gladstone, quoting the figures showing the growth of the trade between the two countries, said:—"I will not say to a certainty, I will not even say to a confident expectation, but at least to a hope, that the commercial relations between these two great countries, valuable as they are in themselves, and still more valuable as they are pledges, guarantees, and mainstays of those friendly feelings between England and France, which must always be the best security for the general peace and tranquillity of the world—these figures give rise, I say, to a hope that the commerce between these two great countries is at least about to approach a scale something like what nature intended it to be, and something like what it was intended to be by that greatest of all our peace ministers, Mr. Pitt, but as unlike as possible to what the obstinacy, the follies, and the prejudices of other men had made it and had kept it."

The results of the Treaty of Commerce of 1860 have fully borne out the truth of Mr. Gladstone's words, and we may well look forward with hope to a further expansion of the trade between the two countries. When we remember how long the present depression of business in England has lasted, we should do well to bear in mind how much more severe it doubtless

would have been, but for the impetus given to the prosperity of this country by that commercial policy of which the Treaty of Commerce between England and France is such a successful example.

We have given the amounts of exports and imports for the year 1775 both in full detail and classified under the same heads as the figures are for the years 1858 and 1875. If 1875 shows a satisfactory increase on 1858, the difference between 1875 and 1775 is positively astounding. To show the course of trade between England and France at that date, we subjoin the totals of the exports and imports between the two countries for the whole period over which the returns we have named extend, namely from 1714 to 1786. These not only show that the amounts for 1775 and 1776 were not exceptionally small, but that the course of trade then was habitually the reverse of what it is at the present time.

Though we must make great allowance for the difference between the state of trade now and a century since, the state of tariffs had then, as now, a vast deal of influence in the commerce between the two countries, and at that time liberality in respect of Custom House duties was not on the side of England. Nothing is more striking in these returns, not even that a century since English-grown wheat was habitually exported from this country, than the fact that at that date our exports to France largely exceeded our imports from France. France then habitually purchased English goods to a far greater amount than England purchased of the products of France. Perhaps it would be safer to say that a far greater value of English goods was entered at the Custom Houses of France, than of French goods was entered at the Custom Houses of England. For at that time it was really almost impossible to say what the real state of trade was as regards the actual imports into this country from France, so large a proportion of the business being transacted by the smuggler. Of this fact W. Pitt made great use in his speeches in the House of Commons on the subject of the French treaty. "Although we had laid," he said, "in most instances, prohibitory duties, and in some, absolute prohibitions on articles of French produce and manufacture, yet it was perfectly notorious that many of those very articles were in constant use and consumption in this kingdom. As an instance, he mentioned the articles of French cambrics, which, though lying under a prohibition, were yet constantly worn by most persons; and, he believed, without a single exception, by every gentleman in that House." This remark shows how completely the practice of smuggling was

recognised at that time, if W. Pitt had no doubt that all those who were listening to him, even in the House of Commons, habitually wore cambric which had been smuggled into the country.

Since that date England and France have made great changes in their fiscal legislation. William Pitt's treaty was one of the earlier experiments in freer trade on which English statesmen have since enlarged with such unexampled success. French statesmen have still to learn how to overcome those prejudices and those feelings which invariably make men of all classes shrink from free competition; they have still the difficult task to perform of endeavouring to reconcile the different requirements of the producer and the consumer. Fiscal legislation in France was then, as far as intercourse with other countries was concerned, on a more liberal footing than it subsequently became. A more moderate scale of Custom House duties was actually in force in France then than the one commenced by that country in 1793, which proved to be the first step in the long series of enactments hostile to England which culminated in the well-known Berlin decree of 1806. As the feelings which led to these enactments, which were intended to be prohibitory of any commercial connections between the two countries, have long since, and most fortunately, sunk into oblivion, let us hope that M. Say may, when he next is able to reduce some of the heavy taxation which it is his duty to impose, find an opportunity of studying the course of commerce between England and France during the last century. Greatly as England might and would benefit if the exports to France bore now the same proportion to the imports from France which they did a century since, there can be no doubt that the gain on the part of France would be even greater still.

**EXPORTS OF FOREIGN PRODUCE AND MANUFACTURES TO FRANCE
FROM GREAT BRITAIN, A CENTURY SINCE.**

				1775.			1776.		
				£	s.	d.	£	s.	d.
Corn Wheat ...	...	...	...	14,189	16	10	391	10	0
Corn Flour ...	...	...	...	1,680	1	0	...	...	...
Senegal Gum...	...	...	...	30	16	0	...	...	...
Indigo ...	...	...	...	2,966	18	0	2,307	8	1
Logwood ...	...	...	...	1,512	0	0	2,555	0	0
Shellac ...	...	...	...	1,379	10	4	...	...	...
Sticklac ...	...	...	...	677	13	4	156	18	8
Coffee...	...	...	...	63	1	0	...	...	...
Pepper ...	...	...	...	785	8	4	599	1	8
Rice...	...	...	...	31,246	14	9	...	...	...
Piece Goods of Bengal, rated	...	...	...	692	8	0	...	...	...
Ditto ditto unrated	...	...	...	397	5	0	...	...	...
Tallow ...	...	...	...	162	10	0	...	...	...
Carried forward	...	...	...	55,784	2	7	6,009	18	5

				1775.			1776.		
				£	s.	d.	£	s.	d.
Brought forward	...	...	...	55,784	2	7	6,009	18	5
Tobacco	...	...	...	311,271	10	4	245,577	9	1
Miscellaneous	...	...	...	7,245	10	9	2,785	11	11
Fustic	...	...	...	...	...	...	737	2	0
Redwood	...	...	...	...	...	...	4,320	0	0
Pimento	...	...	...	...	...	...	422	13	7
Sugar, Brown	...	...	...	...	...	...	1,579	11	11
Iron, Bar	...	...	...	...	...	...	780	0	0
Skins, Beaver	...	...	...	...	...	...	50	11	9
Provisions, Beef, Irish	...	...	...	...	...	...	10,551	12	8
				£374,301	3	8	£272,814	11	4

EXPORTS OF BRITISH PRODUCE TO FRANCE FROM ENGLAND,
A CENTURY SINCE.

				1775.			1776.		
				£	s.	d.	£	s.	d.
Alum	...	...	...	5,472	15	0	7,168	10	10
Beer	...	...	...	159	9	7	62	18	10
Books, Printed	...	...	...	685	0	0	585	15	0
Brass, Wrought	...	...	...	564	15	0	216	0	0
Coals	...	...	...	12,862	4	0	27,166	4	0
Coals, small	...	...	...	90	0	0	447	5	3
Coals, great	...	...	...	67	19	0	129	16	0
Copper, wrought	...	...	...	3,089	18	0	...	...	...
Copperas	...	...	...	1,062	1	4	846	11	3
Malt...	...	...	...	310	12	6	...	...	...
Wheat...	...	...	...	4,601	19	7	7,223	17	0
Wheat Flour	...	...	...	7,102	0	0	12,938	10	0
Cod Fish	...	...	...	8	2	6	23	19	0
Herrings, red...	...	...	...	27	15	0	1	8	0
Salmon	...	...	...	4,087	10	0	3,195	7	6
Grindstone	...	...	...	930	0	0	...	...	...
Horses	...	...	...	7,250	0	0	9,650	0	0
Iron, wrought	...	...	...	3,419	0	0	547	8	5
Lead, cast	...	...	...	20,030	11	9	24,025	17	8
Lead, red	...	...	...	152	0	0	...	...	...
Provisions, Butter	...	...	...	6	16	6	...	...	...
Ditto Cheese	...	...	...	1	16	0	4	16	0
Silk in pieces...	...	...	...	206	1	3	2,362	5	7
Tin	...	...	...	15,589	16	7	29,710	6	10
Woollen Goods, Bays double	...	...	...	2,062	10	0	...	...	...
Ditto Flannel	...	...	...	10	12	6	21	0	0
Ditto Stockings, Worsted	...	...	...	681	19	1	410	14	0
Ditto Stuffs	...	...	...	13,695	12	6	329	7	6
Stuffs of Silk and Worsted...	...	...	...	30	3	9	14	8	9
Miscellaneous Articles	...	...	...	25,894	9	3	11,519	4	4
Colours for Painters	...	...	...	...	...	...	154	0	0
Cordage	...	...	...	...	...	...	291	10	0
Cloths, long	...	...	...	...	...	...	12	0	0
Silk and Inele	...	...	...	...	...	...	25	19	9
Carried forward	...	...	...	130,153	10	8	139,085	1	6

160 *Treaties of Commerce between England and France.*

	1775.				1776.		
	£	s.	d.		£	s.	d.
Brought forward ...	130,153	10	8		139,085	1	6
Foreign Produce and Manufactures	374,301	3	8	...	272,814	11	4
Total exports to France	£504,454	14	4		£411,899	12	10

IMPORTS FROM FRANCE INTO ENGLAND, A CENTURY SINCE.

	1775.				1776.		
	£	s.	d.		£	s.	d.
Books, bound ...	940	5	8	...	928	0	0
Do. unbound ...	1,072	8	6	...	1,667	4	3
Burrs for millstones	275	3	0	...	252	10	6
Cork ...	47	19	5	...	31	19	0
Juniper berries	...	...	...	...	1,207	5	4
Verdigris	3,430	0	0	...	105	13	6
Indigo	8,077	3	3	...	10,536	15	3
Cochineal	...	...	...	...	1,000	0	0
Prunes	2,886	11	9	...	7,324	11	1
Hair, human...	...	...	...	...	17	11	8
Lace, bone	44	12	0	...	10	10	0
Holland and Flanders linen	5	14	0	...	15	12	0
Linseed	1,473	15	0	...	690	6	0
Necklaces	72	10	0	...	754	3	0
Chestnuts	72	5	0	...	126	2	3
Olives	330	5	6	...	295	8	6
Oils, salad	11	11	0	...	3	19	9
Paper...	245	15	3	...	304	6	7
Pictures	1,066	14	0	...	2,026	13	4
Provisions, cheese	16	16	10	...	...	...	...
Resin	3	19	0	...	177	1	10
Salt ...	1,913	19	6	...	1,648	17	8
Spirits, brandy	1,955	11	6	...	1,728	13	5
Do. cordial water	25	3	6	...	5	7	6
Truffles	104	16	0	...	22	8	0
Vinegar	12	12	9	...	5	2	4
Wine, French	15,194	17	6	...	11,763	9	11
Do. Port	37	12	6	...	...	...	...
Do. Rhenish	...	11	3	...	19	0	0
Do. Spanish	8	16	8	...	7	0	0
Wool, cotton	14,099	9	2	...	1,875	5	11
Do. Spanish	4,188	0	0	...	...	...	...
Oysters	7,781	0	6	...	3,577	10	6
Plates of glass	1,007	5	0	...	...	...	...
Miscellaneous	6,716	16	0	...	7,324	3	8
Madder	...	...	...	...	4,252	0	0
Linen, Naples	...	...	...	...	10	11	6
Do. Tabling	...	...	...	...	10	17	1
Do. Germany, broad	...	...	...	...	17	3	
Do. do. narrow	...	...	...	...	17	0	
Russia drilling	...	...	...	...	23	15	0
Rags ...	...	...	...	...	41	2	0
	£73,120	1	0	...	£59,782	12	7

AMOUNTS OF EXPORTS OF BRITISH AND FOREIGN PRODUCE AND MANUFACTURES FROM GREAT BRITAIN INTO FRANCE, FROM 5TH JAN., 1714, TO 5TH JAN., 1787.

Year	£	Year	£	Year	£	Year	£
1714....	288,749	1732....	305,484	1750....	324,384	1768....	609,085
1715....	111,019	1733....	211,897	1751....	469,323	1769....	412,808
1716....	101,556	1734....	231,346	1752....	694,408	1770....	503,245
1717....	116,833	1735....	228,461	1753....	605,408	1771....	502,119
1718..	89,545	1736....	204,535	1754....	434,879	1772....	763,165
1719....	203,670	1737....	395,196	1755....	186,309	1773....	797,493
1720....	192,372	1738....	412,324	1756....	10,853	1774....	423,650
1721....	76,138	1739....	586,722	1757....	80,665	1775....	504,454
1722....	101,833	1740....	225,059	1758....	93,730	1776....	411,899
1723....	120,468	1741....	347,355	1759....	174,170	1777....	192,884
1724....	348,148	1742....	376,182	1760....	209,946	1778....	29,411
1725....	389,916	1743....	285,296	1761....	177,193	1779....	2,812
1726....	313,093	1744....	156,752	1762....	332,290	1780....	5,744
1727....	190,365	1745....	54,688	1763....	384,465	1781....	873
1728....	185,581	1746....	136,399	1764....	517,114	1782....	8,152
1729....	159,154	1747....	158,460	1765....	283,225	1783....	100,442
1730....	290,504	1748....	321,898	1766....	430,508	1784....	152,539
1731....	230,621	1749....	447,668	1767....	425,637	1785....	358,244
						1786....	397,998

AMOUNTS OF IMPORTS INTO GREAT BRITAIN FROM FRANCE BETWEEN 5TH JAN., 1714, AND 5TH JAN., 1787,

Year	£	Year	£	Year	£	Year	£
1714....	48,044	1732....	40,924	1750....	66,832	1768....	135,596
1715....	47,127	1733....	35,863	1751....	66,927	1769....	93,481
1716....	62,252	1734....	66,593	1752....	46,934	1770....	70,282
1717....	52,424	1735....	71,584	1753....	75,427	1771....	54,526
1718....	56,330	1736....	61,558	1754....	58,886	1772....	58,262
1719....	59,814	1737....	108,452	1755....	37,002	1773....	46,895
1720....	52,475	1738....	86,194	1756....	19,714	1774....	74,156
1721....	47,810	1739....	59,655	1757....	3,117	1775....	73,120
1722....	48,214	1740....	67,094	1758....	—	1776....	59,770
1723....	54,755	1741....	61,705	1759....	—	1777....	77,558
1724....	50,393	1742....	56,411	1760....	37	1778....	29,405
1725....	46,572	1743....	78,784	1761....	480	1779....	12,972
1726....	29,647	1744....	36,622	1762....	12	1780....	4,283
1727....	42,943	1745....	1,200	1763....	43,826	1781....	1,909
1728....	56,133	1746....	116	1764....	97,110	1782....	4,783
1729....	47,224	1747....	26	1765....	177,535	1783....	84,639
1730....	40,834	1748....	17,303	1766....	83,921	1784....	69,026
1731....	45,024	1749....	74,730	1767....	177,297	1785....	117,366
						1786....	163,373

NOTE TO ORIGINAL RETURN.—"The Inspector-General cannot comply with the Order of the Honourable House of Commons with respect to the accounts of that part of Great Britain called Scotland for an earlier period than 1761, none of the Scotch accounts prior to that date being deposited in his office." The same Note is appended to the Return of the Exports.

BANK CLERKS' PROVIDENT FUNDS.

III.

THIS subject grows on our hands, and it will be difficult, we fear, to do all the justice we should like to the principal examples of provident arrangements in the banking companies, not to speak of the details in each case. But there is one thing which has struck us forcibly, and that is—that where directors and leading officials take a thorough interest in the personal economy and well-being of employées, there is not only general satisfaction as to the result, but a strong conviction that a provident system, working harmoniously in mutual honour, security and independence, is a highly useful agent in promoting efficiency of service. On the other hand, there can be no doubt that employées derive much advantage from a few simple arrangements, which, however difficult to introduce, are easy and comfortable in operation. We must ask the reader to follow us a little further where alone there is anything on this subject to be learned—the school of experience—what is being done, and what has been accomplished.

Among the great banking companies which, over now a long series of years, have been distinguished for provident arrangements, and have found much advantage and satisfaction from their operation, must be mentioned the National Provincial Bank of England. In this company there are (1), a complete system of retiring allowances or annual pensions; (2), if not an integral Life Insurance Fund, a very liberal encouragement of the bank to all its clerks and employées to take out life policies in the assurance companies; (3), a Benevolent or Widows and Orphans Fund, in relief of such cases as may arise where no life policies have been taken, or where in the circumstances there may be a strong appeal to friendly help; and (4), a Guarantee Fund for the fidelity of officials. All these parts of the arrangements in the National Provincial are well worthy of observation. There is no compulsory obligation on the employées, save in the guarantee for fidelity; but the bank takes a strong and generous initiative of its own to provide both for the efficiency and stability of its service and the safety and comfort of the persons in its employment; and the experience thus acquired reflects light in various directions.

The Retiring Pension Fund is provided wholly by the bank. It is an obligation on the part of the employers to their employed, and may be deemed an addition *pro tanto* to the salaries whatever these may be. The term of service nominally at which a retiring life pension may be due or claimed is 20 years; but, of

course, though this is the understood rule, it is not a hard-and-fast line. There is a discretionary power on the part of the directors, which protects any one from losing his retiring pension because his term of service may have been somewhat less than twenty years. The retiring pension falls due on every contingency—say of bad health, infirmity, or other considerations of efficiency of service, save the contingency, of course, of resigning without due reason or being dismissed for bad conduct. But as an employé may be struck with bad health for a time, and may afterwards recover strength and vigour, there is an option of returning to the service of the bank. The general principle on which the amounts of these retiring allowances are regulated is that the pensions, at twenty years' service, shall be equal to twenty-sixtieths of the salary, and an additional sixtieth for every additional year of service. Thus an employé of twenty years' service, and having a salary of £600, would be entitled to a retiring pension of £200 a year. Or retiring at

21	years' service to annual pension	£210
22	" " to " "	220
30	" " to " "	300
40	" " to " "	400

But, of course, the amount of annual pension in all these cases is modified by the amount of salary. Thus, if retiring at forty years' service, the salary should then be £900, the annual pension would be £600; and if retiring at twenty-one years' service, the salary should be £330, the annual pension would be £115. 10s. 0d.; and so on.

The amount of retiring pension thus proceeds on a clear and intelligible principle, combining at once length of service and amount of salary; and as the money is provided out of the profits of the bank there can be no further question in the matter.

The tendency of a provision of this kind, to secure steadiness of service, is obvious. A man who has served fifteen or twenty years in a bank, under such a security for the future, can hardly be induced to change his place for a larger salary in another bank, where he has no similar hold on the future. The interest of the employé comes to be identified in a large measure with the corporation in which he serves; and though his freedom of action is never infringed, yet it brings up considerations which no prudent person can overlook. On the other hand, a system of retiring pensions does not devolve on the company such heavy liabilities as might be supposed. Onerous as it may seem to a board of directors, or to a meeting of

shareholders, to engage to pension off all their employés liberally at the end of twenty years' service, it is found to be really not so onerous in practice. A retirement may often be as beneficial to the general service of the company as to the retiring official. But apart from this, the employé stepping into the place of the retirer may not receive for three, four, or five years so large a salary as his predecessor; so that the company has some compensation even for the pensions. We believe it will be found, on the strictest inquiry, that the arrangements of the National Provincial Bank in this respect have not been nearly so costly as was prognosticated, or even anticipated, at the beginning. While there always stands, in addition to this question of net profit and loss, the larger consideration of what is due to men of good character, and of long and appreciated service, who may be struck down by disease or infirmity, and, but for this provision, reduced from independence and comfort of life to helplessness and distress.

The means adopted by the National Provincial Bank to promote Life Insurance among its officials and employés are marked, one would say at first glance, not only by liberality on the part of the bank, but by what would promise to be most agreeable, expedient, and prevailing to the end in view. The employés are free to insure themselves in any good office they may themselves choose; they are encouraged to do so by the directors; and the encouragement is not only verbal, but golden, for the bank agrees, when they have taken out their policies, to pay one-half the premium. If anything could make life insurance universal, more especially among the members of a large and intelligent body of co-workers, one should suppose that it would be an inducement of this kind. The assured payment of one-half premium is practically a direct donation of one-half the sum of the policy, and of the profits accruing upon it, to the insured person, and an addition of that amount to his reversionary capital. Though this considerable bonus has been largely, yet it has only partially been appropriated by the employés of the National Provincial Bank; and the fact, when thus stated, will probably be received with some surprise. But the conclusion to be legitimately inferred is that, notwithstanding the great number and activity of Life Insurance Companies, the practice of insuring life by no means extends even among the more intelligent and respectable classes of society so widely as might be supposed. Probably not more than one-half of the employés of the National Provincial Bank, though we do not profess to speak with any express authority on so fine a point, have taken advantage of the one-half premium on a life policy freely offered by the directors

and by the rules of the bank during a considerable number of years. The consequence of this is that the National Provincial Bank has a Benevolent Fund, accumulated out of the free contributions of the officials, to meet such cases as arise in this and all other large establishments, whether there be a fund to meet them or not—of employes who die without having a life policy or other provision for their dependents. This fund, securely invested, amounts to about £15,000, and has always a list of widows and orphans, or maiden sisters, or aged parents of deceased officers, deriving aid from its proceeds. The objection probably to a merely Benevolent Fund, more especially where there is an ample provision of Retiring Pensions and Life Insurance, is, that the contributors to the fund are in a manner cut off from any ultimate benefit from the fund, even if need should eventually come, owing to the wide gap between the contributories to the fund and its beneficiaries. The old and essential difference between a provision arising equitably out of one's own right of association and acquirement, and a provision depending purely on the generous contributions of others, appears here in somewhat striking contrast.

The Guarantee Fund of the National Provincial Bank is probably as good an illustration as could be given of the origin and history of these funds in various banking companies. The early practice was to require bonds of security from persons of trust in banks, and these bonds were private bonds, and probably were not required originally from more than leading officials. But as the organisation of banking offices extended it must have been difficult to draw a line where responsibility, or, in other terms, a possibility of fraud or of extreme negligence approaching, if not fraud, at least a gross dereliction of duty resulting in loss to the bank, could be said to end; and when the Guarantee Associations were established, applying themselves to the special business of providing securities of this kind in all branches of trust, there was the less obstacle to a more general extension of the system of guarantee among the whole of the bank employes. The question arose why the banking employes should be required to pay more than was necessary for the purpose in view? Why should they not attain this end by a provision among themselves, by which the payment should be kept within some reasonable proportion to the probable loss that might arise? This was obviously a question wholly in the interest of the employes; but there was the difficulty of making the payment or contribution, however much reduced, general even among the officers of unquestioned trust, but trust varying in degrees; and employes themselves would sometimes make objections, such as, for example, that

they had no direct control over the fund or its rates of contributions. The National Provincial Bank has solved these difficulties, as in other instances, by requiring from its officials, as guarantee of fidelity, bonds from £500 to £3,000, resting on a fund contributed among the officials themselves, while favoured and strengthened by the action of the bank. When the fund reaches £20,000 the contributions stop; and it has been found after ten years' operation that four years' contribution has been amply sufficient for the purpose. Where private bonds have been lodged, they are not disturbed while they remain valid. But we believe that in all other respects the rule thus adopted by the bank, after much consideration, is obligatory. The Guarantee Fund of the National Provincial Bank, we should probably add, is applied to the redemption of frauds only.

The London and Westminster Bank, as might be expected from its priority and magnitude as a joint-stock banking company, has given a prominent place to all these various provident arrangements in the rules and regulations of its service. The system has become so consolidated that the obligations not only of the Guarantee Fund, but of the Life Insurance, are uniformly carried out; whilst the retiring pensions allowed and provided by the bank have been established on a definite basis. The Guarantee Fund, to which the directors contributed a sum of £2,000, is supported by a yearly contribution from the officers of the bank in proportion to the amount of security attached to their several offices. But there arose the consideration, common in the history of these Guarantee Funds of the banks, to what amount should the capital of the fund be increased? and what should be done when the fund had attained an amount which was found from experience to be adequate to its purpose? The plan adopted by the London and Westminster Bank is well worthy of notice by banking companies who may be laying the foundation of a similar arrangement. It was provided that the contributions should proceed, and the fund and interest accumulate, till with the £2,000 assigned by the directors the balance at the credit of the Guarantee Account amounted to £10,000; and that any surplus beyond £10,000 should be divided every two years, one-half in bonus to the officers in the proportion of their several contributions, and one-half to be carried to a surplus account at interest till the sum reached a further amount of £5,000, thus making the capital sum £15,000. At this point annual contributions from employes cease in the case of all who have contributed for five years—until, indeed, it might happen that the debits on the fund have reduced it below the prescribed amount, in

which case the payments would have to be resumed up to the proper level of the fund. One may fancy a fraud or series of frauds so enormous as to sweep away the whole fund or most part of it. But though this is a hypothetical contingency, yet the solidarity of the obligation resting on the whole body of the officers having to be maintained, the London and Westminster Bank has a proviso that in no case can any greater contribution than 20s. per cent. be levied in any one year. From the fact that officers only share in the bonus distribution of the surpluses when they have contributed 5s. per cent. of the amount of their securities per annum over five years, and that when contribution ceases the cessation applies only to those who have thus contributed for five years, it may be inferred that the London and Westminster Bank, in its long and extensive experience, has found a five years' contribution of 5s. per cent. fully adequate as a guarantee against "losses occasioned by want of fidelity of officers, or by their mistake, negligence, inadvertence or other misconduct in performing their duties;" and as this is so much lighter than an annual payment in perpetuity of 5s. per cent. or a still larger sum to a General Guarantee Company, the advantage of a guarantee organisation within banking companies themselves must be deemed wholly in favour of the employés.

With respect to Life Insurance, every Teller in the London and Westminster Bank is required to take out a policy for the sum of £200 in one of several of the most solid Life Insurance Companies; and upon this being done, and the policy deposited with the bank, the bank engages at his death, should the policy be then subsisting, to pay a sum of £200 in that event, to be applied along with the money accruing from the policy. A liberal encouragement is thus not only given to the practice of life insurance among the employés, but a further remuneration is made by the bank in addition to salary or pension, and providing all the more adequately for widows, children, or other dependents of the deceased. The officials thus insuring their lives, do not lose control of their policies. If they should not be confirmed in the service, they have the option of determining their insurances. Though the policies have to be deposited with the bank, yet they are not absolutely assigned, and are held by the bank as in the character of a mortgagee, so that it may see that all the conditions of its own concurrent obligation are fulfilled. The whole sum of the policy, including the £200 added by the bank, is administered according to the direction of the employé lodged in writing, or by will, or in default of direction or will, on understood conditions of equity.

The retiring pension system of the London and Westminster

Bank accords a maximum equal to two-thirds of the salary, though the directors hold a discretionary power in the conditions of particular cases.

There is much to be learned, in our opinion, from these developments in some of the principal banking companies in the kingdom. The question of provident arrangements had in every case to be approached tentatively; and it will be observed that no two cases are exactly alike, while all move on the same general lines of principle and expediency. All the details had to be wrought out from the growing experience, and the sense of what was practicable and right in each case; and the varied experiment and demonstration thus made cannot fail to be all the more informing and instructive to such banking companies, and their employés, as may wish to attain some of the advantages already realised in large measure by others.

BANK OF SCOTLAND FUND OF PROVISION.

HAVING been favoured with a copy of the rules of this fund, we avail ourselves of the opportunity of recording the principal of them in our pages.

"FUND OF PROVISION FOR WIDOWS AND CHILDREN OF OFFICERS AND OTHERS IN THE SERVICE OF THE BANK OF SCOTLAND.

"I. The object of the fund is to enable persons employed in the service of the Bank of Scotland to provide an annuity for the support of their widows and orphan minor children.

"II. Every person entering the bank's service under fifty years of age, otherwise than as an agent, shall, on his attaining to a salary or annual emolument of £30 or upwards, become a member of the fund. Persons beyond that age shall not be admitted to the fund.

"III. Persons not already members of the fund, who shall enter the service of the bank as agents, shall not be obliged to join the fund, but if under fifty years of age they shall be allowed to do so, on condition of their passing, to the satisfaction of the committee of management, an examination by a medical officer named by them.

"IV. The members shall contribute to the fund according to the scale of rates in the following table, and shall pay their contributions at one of the offices of the Bank of Scotland.

"TABLE OF CONTRIBUTIONS.

"1st. Annual Contributions.

(1.) By members in the service of the bank receiving salary or other emoluments to the amount of not less than £30, and not more than £40, in the year.....	£1	1	0
(2.) Do. do. more than £40, and not more than £70	2	12	6

- (3.) By members in the service of the bank receiving £ s. d.
salary or other emoluments to the amount of more than
£70, and married members without respect to salary 4 4 0
- (4.) *By members who have left the service of the bank. 5 5 0

The annual contributions shall be payable by equal quarterly instalments on the last business days of March, June, September, and December respectively, the first payment being due, and any change in the rate of contribution taking effect on the quarter-day next after the commencement, or alteration as the case may be, of the member's liability; and the last payment exigible being that due on the quarter-day next before the termination of his membership. A penalty of 5s. shall be incurred in the case of non-payment of any instalment within fourteen days after it is due.

"2nd. Entrance-fee payable by persons joining the fund above the age of 21.

For every year, or part of a year, of such excess..... 2 12 6

"3rd. Taxes payable in respect of marriage or re-marriage, and of children of widowers.

(1.) Marriage tax.—For each marriage..... 5 5 0

(2.) Equalizing tax, in event of age of husband exceeding that of wife. For a year, or part of year, of such excess. 1 11 6

(3.) Child tax (in lieu of marriage tax), payable by each person who, at the time of his joining the fund, is a widower with a lawful child or children under age ... 5 5 0

The entrance, marriage, equalising, and child taxes shall be payable on the quarter-day next after entrance or marriage, as the case may be, under a penalty, in case of non-payment within fourteen days thereafter, of ten shillings per cent. for each month, or part of a month, of delay after the due date.

"VII. As regards messengers or servants of the bank, their compulsory contributions and their corresponding interest in the fund shall be limited to one-fourth of those of ordinary members. It shall, however, be in their option, on entering the service (or at any subsequent period of their service, provided a medical certificate to the satisfaction of the Committee be produced), to secure a larger interest in the fund, to the extent of one, two, or three-fourths additional, in consideration of a corresponding increase of annual contribution, and of payment of such new entrance or marriage fees as the circumstances may require. In other respects, except as regards their right of voting (see Rule XXVI.), they shall be on the same footing as ordinary members.

"VIII. Any member retiring from the service of the bank may, at the time of his retiring, have the option of continuing to be a member of the fund, or of surrendering his interest in it, receiving therefor such surrender value, if any, as the Committee of Management may fix. If he continue to be a member, his annual contribution shall be increased to £5. 5s., as provided in the table of rates. In the event of his leaving the United Kingdom for a period of twelve months or more, or of his entering the regular army, or the royal or other navy, he shall give due notice thereof to the clerk, and shall pay such additional rate as the Committee of

* This does not apply to members who have left the bank's service before the passing of these rules.

Management may fix. A member who is superannuated by the bank shall be treated as if still in the bank's service.

"X. Any member allowing his annual contributions to fall into arrear to the extent of four quarterly instalments, shall, if the arrears remain unpaid for fourteen days after the maturity of the fourth instalment, cease, *eo ipso*, and without any process of warning, to be a member of the fund, and shall forfeit all payments made thereto. Similar forfeiture shall also follow in the event of the non-payment of marriage or other taxes, or of penalties, within twelve months of their being due, together with any interest that may be due thereon. Such forfeiture may, however, on sufficient cause being shown, be reversed, within twelve months thereafter, by a majority of two-thirds at a general meeting, subject to the payment of any fine that may be fixed by the meeting.

"Immediate and final forfeiture of membership, without any process of warning, and of all payments made to the fund, shall be incurred,

- "(1.) By any married member who shall evade payment of the proper marriage rates, by failing to give to the clerk intimation of his marriage, so as to be received by him within three months from its date if the member be resident within the United Kingdom, and within twelve months from its date if he be resident out of the United Kingdom—unless he can prove to the satisfaction of the Committee of Management that such failure was entirely accidental, and without intention to conceal his marriage.
- "(2.) By any member who shall lodge a false certificate of his own or his wife's age, knowing the same to be false.
- "(3.) By any member who shall be dismissed from the bank's service on account of fraud or dishonesty (of which a certified extract minute of the board of directors of the bank will be sufficient evidence), or who shall be convicted of fraud or dishonesty by any court of law.

"XII. On the death of a member, his widow (if he have left one) shall become an annuitant on the fund; but, in the event of her marrying again, she shall, by such re-marriage, forfeit all right to an annuity, as from the quarter-day next before her re-marriage.

"XIII. The lawful minor child or children of any deceased member who may not have left a widow, or whose widow may have died or re-married, shall be entitled during minority to any annuity to which the widow would have had right; but the claim to such annuity must be established to the satisfaction of the Committee of Management, and satisfactory proof of the ages of the child or children must be produced.

"XVI. The amount of the annuity may be increased or diminished from time to time, on the recommendation of the Committee of Management, and under authority of a general meeting.

"XVII. The ordinary business of the society shall be conducted by a Committee of Management, composed of the treasurer of the bank and of eight ordinary members chosen at the general meeting. The two senior ordinary members of committee, viz., those at the head of the list, shall retire yearly, and shall be ineligible for re-election for one year. Five shall form a quorum. The members of committee shall not be liable for omissions, or for the sufficiency of securities or investments, or for the acts of each other, but each shall be liable for his own intrusions only. The Committee of Management shall select, from among the members of the fund, a clerk, who, besides discharging such other duties as may be laid down by the committee, shall keep all necessary account and minute books, such books being open to members at all times for inspection.

He shall provide such security for his intromissions as the committee may fix.

"XIX. Monies belonging to the fund may, under the instructions of the Committee of Management, be invested in the stock, bonds, or debentures of any government, corporation, or joint stock company, or in any real or heritable security, or may be deposited with any bank, or other institution or company.

"XX. The investments shall, when practicable, be placed in name of the Governor and Company of the Bank of Scotland, or of three of the bank's officers, as trustees of the fund.

"XXI. The books of the fund shall be balanced and audited as on the last business day of March each year, and a statement of the position of the fund, made out and signed by the clerk, and certified by the auditor, shall be submitted to the next annual general meeting.

"XXII. An investigation into the condition of the fund shall be made not less than every fifth year (commencing with that made as at 31st March 1873) by a qualified actuary selected by the Committee of Management, and his report shall be submitted to the annual general meeting next after its receipt.

"XXIII. A general meeting of the members, called by circular sent to each office of the bank, at least four days previously, shall be held at the head office annually, on such day in the month of May as the Committee of Management may fix, for the election of the Committee of Management and of an auditor for the ensuing year, for the consideration of the yearly statement of the fund, and for other business.

"XXIV. A certified copy of the annual statement of the fund, and a summary of the proceedings of the annual general meeting shall be sent, within fourteen days after the meeting, to every office of the bank, for the information of the members in the service.

"XXVI. At all general meetings ten members shall form a quorum, and if there be no quorum, or if for other reasons an adjournment of the meeting shall be resolved on, the meeting shall stand adjourned to such time as the members present may fix, of which adjournment the clerk shall give intimation by a circular sent to each office of the bank. Each ordinary member in the bank's service shall have one vote, and each member of the messengers' class shall have one vote or less in proportion to his interest in the fund. Absentees may vote by proxy granted in favour of another member. Members out of the service shall not be entitled to vote. The chairman shall have an ordinary and a casting vote.

"XXVII. The directors of the bank are empowered to act as sole arbiters in any dispute or question arising in any way in connection with the fund, and their decision, or the decision of a majority of them, shall be final and conclusive.

"XXVIII. Any member intending to propose any alteration of the rules must state the exact terms of his proposal, in writing, to the clerk, at least six weeks before the date of the annual general meeting, at which the proposal will fall to be considered, and it shall be the duty of the clerk to give immediate intimation of the same, by a circular sent to each office of the bank, for the information of the members in the service. Such alteration shall be held to be carried if approved by not fewer than three-fourths of the votes given personally, or by proxy, at the general meeting, unless it be objected to by the directors of the bank.

"XXIX. The fact of any member paying any contribution to the fund, shall be sufficient intimation that he holds himself bound by the rules of the fund in existence for the time."

Banking and Commercial Law.

WE are informed that there exists among bankers a notion acted on without much hesitation, which comes as a surprise upon us, and which also, we think, will surprise many of their customers. As our readers know, it is the practice of banks to supply their customers with printed forms of cheques in which the words "bearer" or "order" are printed as part of the form. The introduction of the printed forms for payment to "order" is of somewhat recent date, and we fancy that the rise of the notion to which we are about to call attention is, in some degree, attributable to the custom of issuing these printed "order" forms instead of the older and general forms for payment to "bearer." The notion of the banks is that if the drawer of a cheque uses a printed form for payment to "bearer," and the cheque, when presented, shows a cancellation of the word "bearer" and a substitution, by interlineation or otherwise, of the word "order" (such alteration not being authenticated by the signature or initials of the drawer) that the bankers in such case are at liberty to pay the amount of the cheque to any bearer of it, without regard to the payee specially named, and without requiring his indorsement—in fact, to ignore the alteration altogether, and to act on the cheque in its unaltered form, and to do this whether the cheque was or was not altered by or with the consent of the drawer, and whether the alteration was previous or subsequent to the issuing of the cheque.

Considering the numbers of cheques which are altered from "bearer" cheques to "order" cheques by the uninitialled alteration of the drawer, it is of importance, both to bankers and customers, to understand whether this notion of the bankers is well founded. If the bankers be right in their contention, a debtor, who is authorised by his creditor to remit the amount of the debt by cheque payable to the creditor's order, would clearly have to pay the money over again should he remit by a cheque altered from "bearer" to "order," but uninitialled, and the bankers should pay someone else without such "order" or indorsement.

We entertain a strong opinion, however, that the bankers in this instance are entirely in the wrong. The cancellation of the word "bearer" with the substitution of the word "order," is no doubt a material alteration, and it lies upon the holder to show when, by whom, and under what circumstances, the alteration was made. Until the bankers are satisfied that the alteration

was made by the drawer, or with his consent, they are justified in withholding payment; even if so satisfied they may further, *strictissimi juris*, having regard to the provisions of the Stamp Acts, require to be satisfied that the alteration was before the issuing, so as not to call for an additional stamp, since the provisions of the Stamp Act, 1870, sect. 54, sub-sect. 2, as to adhesive stamps for a bill of exchange (which, by sect. 48, includes a cheque), for the payment of money on demand liable only to the duty of one penny, appear to be permissive, and not obligatory on the drawee. The drawee may, if he pleases, procure and affix and cancel the adhesive stamps, and if he chooses to pay, *must* do so, but he is, as we imagine, entitled to say that the draft is an imperfect one, and that the drawer or holder must, if he wants his money, present a properly stamped instrument. Such, we conceive, to be the strict right of the bankers in such a case. To that extent a banker could properly say that he was not bound to recognize an alteration not satisfactorily accounted for. It is quite another thing for him to say that he shall act on the cheque by complying with what he assumes to have been its form when issued, or to say that he shall ignore the actual state of the cheque at the time of presentation, and shall not even take notice or inquire whether, at that time, it is or is not from its appearance and the alterations in it *primâ facie* an invalid instrument. A banker is certainly not liable to his customer for refusing to honour a cheque presented in such a condition. As a negotiable instrument it is, until the alterations or other suspicious marks on it are explained—the onus of explanation being on the holder—to be regarded as an invalid instrument, and that, whether the alteration operate or not for the benefit of the drawer or maker: (see *Gardener v. Walsh*, 5 El. & Bl. 83, and on the subject generally *Master v. Miller*, 1 Smith's L. Cases 1871, and notes thereto, 7th edit.).

As at present advised, we hold that a banker who pays to bearer without the authority of the payee specially named, or, to speak more correctly, without requiring an indorsement purporting to be his signature, and the genuineness of which the banker has no sufficient reason to doubt (see 16 & 17 Vict. c. 59, s. 19), a cheque which on the face of it, at the time of presentation, is a cheque payable to a special payee or his order, could not possibly be permitted to charge the drawer with such payment, on the plea that the word "order" had been substituted by an uninitialled alteration for bearer, if, in fact, such alteration was made by or with the consent of the drawer.

A banker's strict right, and perhaps his only safe course in such a case, is to refuse payment until satisfied that the alteration

was made by or with the drawer's consent; for it would, we suppose, be competent for the drawer to contend that an alteration otherwise, if material, operated in law as an absolute revocation of his mandate to the banker. This view is supported by the very recent case of *Vance v. Lowther*, in the Exchequer Division (34 L. T. Rep. N. S. 236), where it was held that the transferee, for value of a cheque, the date of which had, without the knowledge of the transferee, been altered from the 2nd to the 26th of the month without the authority of the drawer, could maintain no action on the cheque, the same having, in point of law, been altogether invalidated by the unauthorised alteration. The decision is valuable, as showing that our judges are determined to discourage any tampering with written engagements, to uphold mercantile instruments in their integrity—to consider the question of materiality of an alteration with respect to the contract itself, and not by looking at the surrounding circumstances of the particular case—and to treat every alteration which changes the legal obligation and character of the instrument as material. Practically, however, bankers, as a matter of policy, do not take technical objections to their customer's cheques, and would generally, and perhaps reasonably disregard the possibility to which we have adverted, rather than offend their customers. At the same time we think they would act most unwisely if they did not insist that the indorsement of the payee specially named should be placed on the cheque as a condition precedent to the payment of it in the circumstances which we have been particularly considering.

A recent Act of Parliament rendered stockbrokers who had received money or any valuable securities with written instructions to apply the same in a particular manner, criminally liable if they fraudulently converted such money to their own use. In a case that was before the Court of Appeal, a clergyman had verbally instructed his broker to sell for him £4,212 consols, and to reinvest the proceeds in the purchase of London and North-Western Railway stock. It appeared that at the time of giving these instructions he informed the broker that he was dealing with these funds only in the capacity of trustee under his father's will. The broker sold the consols and paid the amount he received into his bankers; he also entered into a contract for the purchase of the railway stock for the next settling day. Between his doing so and the next settling day, however, he became a bankrupt, and was declared a defaulter on the Stock Exchange, and on the settling day the

money for the purchase of the railway stock was not forthcoming. Thereupon the broker's principal made an application before Mr. Registrar Pepys that the money realised by the sale of the consols, or so much of it as could be traced, should be handed over to him. The Registrar declined to make the order on the ground that the broker stood in the relation of a banker to his client, not in that of a trustee. On appeal, this decision was reversed; Lord Justice James and Bramwell, J.A., holding that a stockbroker who receives money from a principal for any purpose is in the position of a trustee with respect to the money received until the purpose is fulfilled, and Baggallay, J.A., holding that at all events a broker is in that position when he has notice that the money he is dealing with is a trust fund. So that, according to the ruling of the majority of the court, there can be no doubt that had the broker in question received his instructions in writing, he would have come within the Act we have referred to. It behoves stockbrokers, therefore, to be very careful in separating their clients' money from their own; or they may find that when they imagined that they were merely incurring a debt, they incurred a liability for a criminal breach of trust.

STONE V. THE CITY AND COUNTY BANK.

This was an action by a shareholder of the City and County Bank to recover back the money he deposited in payment of shares which it was alleged he was induced to take by a false and fraudulent prospectus and balance-sheet.

It appeared that the City and County Bank was incorporated in April, 1872. From that time up to the time when it failed in 1875 periodical balance-sheets were issued, showing the position of the affairs of the bank to be in a prosperous condition. The plaintiff's case was that he was induced to apply for shares in the bank by a report and balance-sheet which contained statements which were false and fraudulent. He obtained his shares in September, 1874, and paid £2. 10s. per share deposit on them. The bankers of the City and County Bank were the banking-house of Messrs. Brown, Janson and Co., and a considerable part of Mr. Russell's opening of the case was occupied with an account of the transactions between them and the defendants. In 1875 the City and County Bank failed, and the failure gave rise to numerous complicated proceedings, which, in view of the course which the case took, it is not necessary to narrate. The proceeding most material to be noticed was the following:—In May, 1875, it was resolved to transfer the business of the City and County Bank to Messrs. Brown, Janson and Co., who agreed to meet all its liabilities. It was agreed at the same time that a call of £1 per

share should be made, and part of the call hypothecated to Messrs. Brown, Janson and Co. It was admitted by the learned counsel for the defendants that Messrs. Brown, Janson and Co. were interested to a very great extent in the issue of the case, they having adopted the liabilities of the banking company, and the action, although founded on the fraudulent statements of the directors, being one against the company.

At the close of Mr. Russell's opening, the Lord Chief Justice called the attention of the learned counsel on both sides to the pleadings, and inquired whether, in the opinion of the learned counsel, there were any questions which it was necessary to leave to the jury?

After some discussion, the learned counsel retired for a short time, and on their returning into court, Mr. Russell said that it had been arranged that the jury should be discharged and a special case stated, so that the decision of the Court might be obtained on the complicated issues of law and fact involved.

Mr. Thesiger stated to his lordship, on the part of Messrs. Brown, Janson and Co., that while he admitted the case raised questions of great importance to them, and consented that the question of their liability should be determined in the manner now arranged, he desired not to be understood as admitting any one of the imputations made on Messrs. Brown, Janson and Co., in the opening of the plaintiff's case.

The Lord Chief Justice accordingly discharged the jury.

IN THE MATTER OF THE JURORS QUALIFICATION (IRELAND) ACT, 1876.

Qualification of Jurors—Branch manager of banking company—Construction of statute—39 & 40 Vic., c. 21.

The head officer or manager of a branch office of a banking company is not qualified and liable, as such, to serve on juries, within "The Jurors Qualification (Ireland) Act, 1876," (39 & 40 Vic., c. 21), section 2.

The following judgment was delivered at the Lurgan Quarter Sessions, as to the liability of local bank managers to serve on juries under the provisions of "The Jurors Qualification (Ireland) Act, 1876":—

The Chairman (Thomas Lefroy, Esq., Q.C.)—When revising the jury lists at Armagh I was furnished with a very able statement, printed on the part of the directors of several banking companies in the north of Ireland, upon the question whether the managers of the different branch banks of those companies, established in the large commercial towns in this county, come within the meaning of the 2nd section of the Jurors Qualification Act passed last session. The section enacts that every director or manager of every banking, railway, insurance, or other company, incorporated

by charter or Act of Parliament, and carrying on business within the county, shall, if residing in the county, be qualified and liable to serve on juries. As the matter was considered of such importance by these companies, I thought it right to give more consideration to the question than I could do in the short time allowed for the revision of the jury lists at Armagh. Having now done so, I have no difficulty in stating that, in my opinion, the gentlemen who hold the posts of managers or agents of branch banks, are not within the provisions of the section referred to. No one who reads the statement furnished on the part of the bank directors, can doubt the serious inconvenience to the companies and to the public which would follow from deciding that the gentlemen holding these posts are, as such, liable to serve on juries, but, no doubt, this should not prevent the court from placing them on the jurors' lists if, upon a reasonable construction of the Act, they can be held as coming within its provisions. I am, however, clearly of opinion that they do not. The maxim *noscitur a sociis* has always been recognised as a safe rule of construction where there is any ambiguity in the terms used in Acts of Parliament, as well as other documents; and the word "manager" being coupled with the word "director," in the 2nd section of the Jurors Qualification Act, seems to me to give a clue to the true sense in which the Legislature intended to use the term. No one could hold that the manager of a branch bank, in a provincial town, could be regarded as a director of the banking company, or that the powers or duties of these two officers were at all on a par, but yet in using the words, "every person who shall be a director or manager of any banking or railway company," we may reasonably presume that the Legislature intended to describe persons holding similar offices and in an analogous position as to the powers and in relation to which they belong. Now, as a matter of fact, we know that in all these large companies there is an official called "manager," who is a kind of acting "director," and who has authority and control over all the officers, who are called managers or agents in the several branch banks of the company. In my opinion this officer, and he only, comes within the meaning of the word "manager" in the 2nd section of the Jurors Qualification Act. I may observe that I have seen the terms in which the appointment of manager of a branch bank was conferred in one instance, and I believe they are similar in all banks, and it in nowise warrants the idea that he is recognised as a manager of the company. The appointment designates him as manager of the branch bank of the company in a particular locality, and some companies only designate the head-officer of a branch bank as "agent" and not "manager;" but in every instance the powers of a manager or agent, conducting the business of a branch bank, are strictly limited to the locality of his office, and he has no authority to represent or act for the company outside that locality. It is, therefore, wholly incorrect to say that

he is "a manager of a banking company incorporated by charter or Act of Parliament," which are the words used in the Jurors Qualification Act. As well might the station-master or head-officer of every railway station be called a manager of the railway company. On these grounds, I have no doubt in striking out of the jurors' lists the names of all those who have been inserted merely as such; but, of course, this does not at all interfere with any other qualification which they may possess—imposing the liability to serve as jurors, or conferring the right, in whichever light the duty is to be regarded.

COUNTRY CLEARING.

[We print the following notices for the information of some of our readers]:—

The London and South Western Bank have not at present any agent in the country clearing to receive the cheques upon their four country branches, viz., Bristol, Honiton, Ottery St. Mary, and Sidmouth. It will be well, therefore, in future, that cheques upon those branches should be sent direct. Cheques upon their Suburban branches can be included, as at present, in the total of the London cheques.

The Hampshire Banking Company will not from the 20th December have any agent in the country clearing to receive the cheques upon their country branches. It will be necessary, therefore, in future, that cheques upon those branches should be sent direct. Cheques upon their two London banks, at Bishopsgate-street and Oxford-street, can be included, as at present, in the total of the London cheques.

PROPOSED BRITISH SILVER COINAGE FOR CHINA.

WE reprint an account of a very interesting discussion at a recent meeting of the Chamber of Commerce at Hong Kong. In this country we can hardly undertake to investigate the relative merits of the *tael* or the *dollar* as the proposed standard, though the weight of argument in the very able speeches of Mr. Nelson and Mr. Granville Sharp appears certainly in favour of the latter coin. But there cannot be two opinions as to the very important results which might follow a large coinage of silver dollars of a weight and fineness guaranteed by the stamp of the British authorities. The American "trade dollar" will

very likely shortly become an extremely important factor in the commerce of the East, and it would not be difficult to arrange, by a convention, that the intrinsic value of that coin should correspond with the new "English dollar." The difference in the devices on the two coins would no more cause them to clash in actual circulation than the difference between the effigies stamped on the franc pieces coined in France or Switzerland, which circulate side by side in either country. There would be no necessary reason why, in commencing the experiment, the proposed coins should be struck in China at all. If a mint were established and in successful working at Hong Kong, it is most likely that a considerable part of the precious metal which it would require for its operations would be sent over from Europe, and the carriage of coined silver is not more costly than that of uncoined silver. In commencing the experiment the coins might be struck in England, and if the proposed British dollar found the currency which is expected for it, and which certainly appears probable, it might then become desirable to re-establish the mint at Hong Kong. The value of silver has so great an influence on the Indian revenues that it becomes a matter of Imperial importance; and since we cannot doubt that an outlet for silver, such as a considerable coinage of British dollars would cause, would greatly relieve the European market, we hope that the subject will receive the attention which it decidedly deserves.

PUBLIC MEETING OF THE CHAMBER OF COMMERCE,
HONG KONG.

(From the Overland China Mail, Hong Kong, Nov. 9, 1876.)

A public meeting of the General Chamber of Commerce was held in the city hall this afternoon (2nd Nov.), for the purpose of discussing a despatch received from the Shanghai General Chamber of Commerce, relative to the establishment of a Chinese Government mint. The Hon. P. Byrie occupied the chair; and there were present: Messrs. Mendel, Kerr, Nelson, Lyall, Dalrymple, G. Sharp, D. Welsh, Linstead, Sandeman, Hoppius, McIver, George, F. D. Sassoon, Joost, Coxon, Belilios, Thurburn, Kahn, H. L. Dennys, Hancock (2), Williamson, and Mossop.

Dr. Dennys, the secretary of the Chamber, having read the despatch calling for the discussion,

The Chairman said they had heard the letter from the Shanghai Chamber of Commerce read. He saw around him gentlemen who were much better qualified to deal with the subject than he was. He thought almost everyone there would acknowledge the advantages of having a uniform and reliable currency in which to transact the entire business of China, but he was afraid that the practical difficulties in the way of obtaining that object would be found such that, in his opinion, there was very little hope of doing away with them at present, or until our relations in China were placed on some different footing. He would ask some of the

managers of the banks present to give them their opinions on the subject. (Applause.)

Mr. H. H. Nelson (Chartered Mercantile Bank of India, London and China) then rose, and said the question before them probably admitted of a great deal of discussion and certainly of more than one view being taken of it. For his own part he was disposed to agree with the remarks that had fallen from the Chairman as to the practicability of the suggestion put forward by the Shanghai Chamber of Commerce. That suggestion was of such a doubtful character that they would, he thought, be wasting a great deal of time in dealing with it now. He thought the probability of the Chinese Government, upon the suggestion of foreigners, establishing a mint or issuing a system of coinage such as foreigners would suggest, was so remote that it was almost impossible to conceive that they would do so. Beyond that the advisability of issuing a coinage from a mint managed and under the control of a country like China seemed to him a most risky operation—(hear, hear)—seeing that the coin would in all probability, in course of time, be issued of a debased fineness. That had been the experience hitherto, and they could not look upon China with any confidence to maintain a pure currency. Of course one of the most important things in reference to currency was that the purity of the coin, the standard value of it, should be undoubted. There were many reasons with which foreigners who were engaged in banking and other business were well acquainted, that made it an absolute necessity that dependence could be placed upon the fineness of the coins issued. Now, could anybody acquainted with China suppose that a mint managed by Chinese officials would continue to produce a pure coin, even if a material guarantee, in the shape of a treaty, could be obtained from the Government of China to maintain the purity of the currency? The only way in which he would be at all inclined to deal with the currency issued from a Chinese mint, would be with a treaty guaranteeing that it should be of a fair value to touch. He did not think the Government of China would give any such guarantee, and if they did he would still have in his mind a very grave doubt as to the carrying out of the contract in its entirety. These were his views upon the coinage question, and he did not think that, practically, a coinage of the description intended would be a success in China. It also seemed to him that the establishment of an imperial mint in China would be a considerable disadvantage, in the present state of affairs, to foreigners. A Government mint would place very great control of monetary matters into the hands of officials of not a very high character, or they might suppose that possibly they would not be of a very high character, which was a very grave consideration in matters of this kind. Beyond that there was a fact which he thought it was important to bear in mind on that occasion. To his knowledge an attempt was being made, especially in the Straits and Singapore, to have a British dollar coined for use in these parts of the world.

The Chairman said that scheme had been recommended to the Government by this Chamber.

Mr. Nelson, continuing: At the present time there are some active measures being taken with the view of inducing the British Government to coin dollars. Now British interests in these parts of the world are very great, and I think that a dollar of that kind would probably be a success, at any rate, so far as the greater portion of the Straits and China are concerned. A dollar issued from a British mint would command the confidence of everyone having anything to do with it, and I would myself infinitely prefer to see a dollar, issued from a British mint, brought into the

Far East—into such parts of China as they could be brought and into the Straits settlements—and if possible, I would get the Government of China to commend that coinage to the natives of the country. If that were done a great deal of difficulty found in dealing with this matter would be got rid of, and it would certainly place us upon a much more comfortable basis in reference to the coin. In regard to a coinage of a tael value there are many difficulties in reference to that. There was a great difficulty in fixing the tael,—to say what weight or value should be called a tael, then there are the difficulties in the way of adopting it in different parts of the country after it is fixed, and I doubt if a very satisfactory result could be obtained. The coinage of a tael has been tried here and failed; they issued some coins, but the Chinese would have nothing to do with them, and I think the experiment would have the same results if a tael currency were instituted in China. Under the circumstances I would be more inclined to, at any rate for the present, discourage the establishment of such a mint as is proposed and should prefer to assist in getting some sort of currency which would be useful in ports where foreigners carry on business and trade. I would rather support the idea, which has been brought forward in the Straits, and endeavour to get a British dollar coined, and to make it a current dollar here. (Applause.)

Mr. David Welsh next rose, and said that he would propose the following motion; viz. :—

“That the Chamber is of opinion that a tael, to which the present standard dollar shall be exactly equivalent both in weight and fineness to three-quarters of such tael, will be the most suitable standard of value for China.”

Mr. Welsh continued to say :—The question before the Chamber is not whether the Chinese will continue to weigh silver in payment of debts due to them, even although a coinage be introduced, as some people seem to suppose from the remarks I have heard made, but what is the most suitable standard of value? Is it to be silver in gross, or is it to be silver coined and counted? The question before the meeting is, what is the most suitable standard of value, not the conduct of the Shanghai Chamber of Commerce in resolving to memorialize the Ministers at Peking to get a standard of value established, which would be the case if we passed a resolution that the question was not ripe for solution. In England, what is a pound for long puzzled those who thought on the subject of currency. It is now determined to be a coin weighing 123 grains decimal 274 of gold coined from an oz. of standard gold at the rate of £3. 17s. 10½d. per oz. This is a perfectly arbitrary arrangement, and there consequently can be nothing wrong in arriving at an equally arbitrary arrangement, based upon considerations of expediency as to what shall constitute a tael. Adopting the English puzzle what is a pound, let us ask what is a tael? According to the latest edition of the Chinese Commercial Guide, a Canton tael is equivalent to a treasury tael at Peking. This consequently gives us at once one kind of tael weight which must be known all over China. Now, on the same authority a Canton tael weighs 579 grains decimal 84, and 60 taels pure silver—111 taels 9 mace weight of dollars, and by calculation 100 taels pure silver=156 dollars by count. If the dollar be accepted as $\frac{2}{3}$ ths of a new tael, 100 taels pure silver=117 taels coins exactly. It will consequently be exceedingly easy to arrange all old debts upon this basis if pointed out in the edict establishing the new standard of value, and all future transactions can be determined by adding the word coin just as we say sterling. Another advantage of taking the

Canton tael weight is, that pure silver if weighed by it can be divided into a round number of dollars without any fraction over. The tael which I propose would weigh 554 grains 67 decimal gross, and would contain 495 grains 59 decimal of pure silver, and as the Shanghai tael is very generally known over all the North of China there would be little difficulty in arranging a difference of about 7 per cent. between it and the new coin. An objection has been made as to the unwieldiness of the new coin from its size. I think this is very easily got over. The Shanghai circular does not ask us what is the most suitable coin; but what is the most suitable standard of value. Now I take it that a tael which is recognized to be 494.59 grains of pure silver is just as suitable a standard of value, even although not coined as a tael of Sycee, weighing 579.84, and therefore as long as the tael is recognized to be 495.59 grains, it is not an absolute necessity to coin it at all, although it might be desirable to produce a few of them. If the present dollar is considered a more handy coin, then an equivalent coin, that may still be called a dollar, but which shall be a subsidiary coin to the tael, and equal to three-fourths thereof, might be largely coined. I have no greater desire for a tael standard than for a dollar standard, but I advocate the tael standard, modified by utilizing the dollar as a subsidiary coin, as the standard that will cause less disturbance to commerce, and to the habits and thoughts of the Chinese than any other plan. The present dollars will still be used as freely as before, and, if they are, I fail to see why foreigners should insist upon making them the standard of value for China. I quite agree with the remarks of the previous speaker as to getting a British dollar in circulation in China, but that is a different thing to making it a standard of value. If the Chinese tael began to be depreciated, and the British dollar remained of fixed value, people would take them as the standard, and make them the standard, if the treaty stipulated that they were to be held as part of the coin of the country.

The motion was then seconded by Mr. L. Mendel.

The Chairman said the motion proposed by Mr. Welsh was strictly in accordance with the requests of the Shanghai Chamber of Commerce. He also thought Mr. Welsh had placed some interesting and valuable facts before them.

Mr. Linstead said he must say that individually he thought that if they were to consider not only the foreigners in China, but also the inhabitants of this country, that the proposition of Mr. Welsh would be a very reasonable and excellent one, if they could get rid of a great many difficulties that were in the way; but he was bound also to say that the remarks of the previous speaker had made a very strong impression upon his mind. Now if he understood the matter aright, it was not for the convenience of the Chinese that this question was proposed, but for the convenience of a large and important body of foreigners. That being so, he thought they would be rather going beyond their province, to urge their propositions upon the Chinese Government, who had not asked them for their advice. If a standard were adopted in China, it must be silver; the country was neither ripe nor fitted in any way for a gold standard. Now, at the present time there was no such thing as a single silver standard existing in any part of China whatever.

The Chairman: There is the Haikwan tael.

Mr. Linstead said that was a standard of account. It did not exist, and if they got any current coin at present in China and took that coin to different parts of the country they would find that it bore a different

standard of value everywhere. He agreed with Mr. Welsh that it was hard to force upon the Chinese our currency, but he also agreed with the previous speaker that they could not expect the Chinese authorities to keep up a standard of purity in any coinage they might choose to issue. He did not think that under present circumstances it was at all advisable for that chamber to recommend the Chinese Government to introduce a standard coin. The Chinese Government might at some future time express their willingness to move in the matter.

The Chairman: I understand that members of the Chinese Government have been making enquiries.

The Chairman having called upon Mr. Granville Sharp, he rose and said—“The burnt child dreads the fire,” and “Once bitten twice shy,” are axioms of universal acceptance. Acting upon the principle embodied in these terse adages, it often happens that merchants and others who have been “bitten” in a commercial venture or other enterprise lose heart, are disgusted, and so when in course of time the turn comes round again, they miss the opportunity. We got a sickening of the Hong Kong mint, at the hastiness and extravagance of its inception, and at the precipitancy with which it was closed. We put it out of mind as an unpleasant recollection; and now it is only brought to mind by the enquiries of our more vigilant and active brethren in Shanghai. They are before us in this matter, as they are in their railway enterprise. We are indebted to the Shanghai Chamber of Commerce for this opportunity of expressing an opinion on this subject of a mint which has been quite forgotten by some of us; they enquire what coin and what subsidiary parts should be adopted. One naturally thinks of a tael because the accounts are kept in taels, but, with the exception of a handful of silver tael pieces which Major Kinder struck, the tael piece is as much a myth as the dragon by which, (if I remember rightly) it was adorned. The tael with its decimal parts, mace, candarins, cash, and its multiple the picul, is variable and uncertain to the last degree; so much so that all attempts at equalization would appear simply useless. The only coin of Shanghai is the clean dollar, which the northern Chinese have very wisely preserved in its integrity, attaching vouchers of its genuineness by ink marks merely, without at all injuring the coins. These have been preserved with jealous care; and now the only really well-minted Mexicans, viz., those of the older dies, are to be found in the north, where the great portion of more recent issues is properly rejected as unfit to constitute a decent currency. Whilst the coinage of other nations has been improving, that of Mexico has been deteriorating in quality of execution year by year. The only silver coin of Shanghai is the clean Mexican, and the only silver coin of southern China is the Mexican more or less chopped and mutilated, with some Ferdinands at Foochow mutilated to a worse degree and a few Hong Kong dollars here and there. Still the silver coinage of China is the dollar, and the dollar only, and such small contributions of subsidiary pieces as the Hong Kong mint, and subsequently the Hong Kong government, have from time to time provided, and which have been immediately absorbed and lost for all local purposes. The people have been accustomed to the dollar from the first beginning of trade with China. In common with a large section of the English-speaking race they know its uses and appreciate its power. The dollar is a fully large and heavy coin to handle, and a tael piece would be cumbersome and unwieldy, besides that it would be strange and altogether unknown. With the growing production of silver, in the United States, and our increasing trade, it is probable that a much larger proportion of the

silver remittances will come from that side, and that the beautifully minted "trade dollars" will take an important place in the coinage of China. The constant stream of emigration to and fro will aid in familiarising the Chinese with this coin. Imperial edicts have been widely circulated from time to time asserting the genuineness and purity of the various kinds of dollars, the exact value and character of which, from the oldest Carolus or Bolivian down to the Hong Kong and the Trade dollars, are perfectly well known and ascertained. Although efforts have been made from time to time by native Chinese in foreign employ to cast discredit upon the genuineness and purity of the Mexican coinage, there is good reason to believe that it has been with little or no foundation, and that the Chinese generally regard a clean unchopped Mexican with as much confidence as we do a sovereign. The similarity in value of the Japanese Yen is another argument in favour of the dollar. When once a silver currency is introduced into China and the country opened she will want all the coin that she can get, and it will probably take the next twenty-five years to supply her needs. The Yen will probably go largely into circulation in China as the Mexican does now in Japan. Then we have Saigon and Cochinchina, the Straits and Singapore, using the clean dollar, with Hong Kong the point of interchange between north and south. The dollar is upon an average about 90 fine, and would be legal tender as heretofore. It is available, by Imperial proclamation, for all payments of duty to the government. As to the inquiry suggested by the Shanghai Chamber "whether the proposed currency should be for the whole country or restricted to the places open to foreign trade," it would appear that this matter is dependent upon the acceptance or otherwise of the currency by the Chinese people, rather than upon the views of foreigners upon the subject. Having got thus far the enquiry naturally arises although it has not been put by the Shanghai Chamber, by whom, and where, is this proposed new currency to be minted. I would venture to say at once, "not by the Chinese Government, simply for the all-sufficient reason that it is not to be trusted." The Chinese Government cannot be trusted either to administer justice or to mint a dollar for the China trade. Even supposing that by the influence of the presence of the representatives of the treaty powers in Peking satisfactory securities were given—in a few years a mint would be made the means of replenishing the exhausted resources of every bankrupt provincial treasury in the empire, just as it was formerly in India, where there were 169 kinds of rupees, ranging in purity from the old Sicca Calcutta rupee of 98·37 fine down to the Nilkungee Southern Muratha Country rupee of 54 fine only. If the Chinese mandarins cannot be deterred from debasing the copper cash, in order to secure a paltry profit by the operation, how can they be trusted with the handling of the precious metals? A large portion of the so-called copper cash is not worth 2,000 to the dollar,—the debased coins forming a fruitful cause of contention in the minute interchanges which, among Chinese, take place every hour of the day. I have seen ten cash tendered in payment for a cabbage. Of these six are returned as unsatisfactory, purchaser exchanges two and thrusts back the four. The vendor again returns three and insists upon better cash—both individuals meanwhile loading one the other with abuse. At last the purchaser takes one cash back and replacing it by another somewhat better seizes the cabbage and runs off, the merchant jumps from his stool and commences a pursuit, calling after his customer. He presently returns, counts and examines his ten cash, puts them with a sigh into the drawer, and so ends this most unsatisfactory operation. Only this morning I

noticed an extract from *Alta California* on this subject of a Chinese mint. It is most sincerely to be hoped that the great temptations which exist to assist China in a devious course will be resisted by foreign governments, and that no encouragement will be given to such false theories as that put forth in the letter dated Washington, August 26th, 1876, and signed "C. A. W." He states that "a debased or over-valued currency for small change is proposed, the seniorage to be the profit of the government. This system would largely add to the revenues of the empire, and by the adoption of laws to answer the circulation of such coins, a greatly increased demand would be made for silver. The details of the plans proposed cannot readily be obtained. It is known, however, that the Imperial government has taken the question into serious consideration." If the Chinese or any other government thinks that it is going to largely increase its revenues by the issue of debased currency it is to be pitied for its ignorance, and any "laws which are made to answer the circulation of such coins" will be despised. It is the old trick over again of trying to get rich without work. A small subsidiary coinage which is far more costly in production than the proposed standard unit, may fairly be protected from exportation by debasement, but there must be no laws to "answer" its circulation. It can only be made a legal tender for a trifling amount. The remarks of "C. A. W." above quoted are the more mischievous by the sort of semi-official character which they derive from the introduction of the letter from Mr. R. H. Linderman, director of the San Francisco mint, to the Hon. B. H. Bristow, the secretary of the treasury, in which the despatch of Mr. Seward, U. S. minister to China, is referred to. If then the Chinese government is not trustworthy to this duty by whom is this important work to be performed? I reply by foreigners. By one of the treaty powers—say America in the north of China, where she has already obtained so large an influence, and in the south of China by the British government, in its own colony of Hong Kong. If it be demanded by what authority a coinage can be issued by foreigners in China, I reply by the rights which we possess and which we are exercising at the present moment. By whom are the revenues of China at present collected?—by foreigners. Not merely by foreigners employed by the Chinese government under the sanction of the western powers, but practically and *de facto* by those powers themselves, in their own way and according to their own united will. The representatives of the treaty powers are the real commissioners of revenue for China. We require no help from the Chinese; the people will be glad enough to take a British coin, and the Chinese government will be eager to accept it at every treasury throughout the Empire. Some may be surprised, whilst others will be quite prepared for the suggestion of reopening the royal mint at this place. It would be easy to account for its previous failure. The mint, like some other projects of the administration of the time, was too magnificent in its conception, and needlessly costly in its arrangements and expensive in its working. Its time of infancy fell on a period of unexampled difficulty for such an institution; bullion was at famine price, whilst coin was plentiful and all the financial forces seemed to be combined against it; and yet so great was the desire of the bankers to preserve that mint that the very week in which its doors were closed a million of chopped dollars would have been sent in for coinage, had the slightest intimation been given of a willingness on the part of the government to preserve the institution. The closing of the Hong Kong mint was almost the only error in the long, vigorous, and most importantly beneficial administration of

Sir R. MacDonnell. The mint master, Major Kinder, told me that he could run the mint, out of the profit upon the subsidiary coins alone. There seems to be a constant demand for these by the natives. The amounts which have been received from England from time to time are almost immediately absorbed. They are now at a premium on bank notes; and seeing that they are about 10 per cent. less in fineness than the dollars, Major Kinder's statement is not difficult to understand. If, however, any attempt were made to force them on the Chinese people they would naturally come back at once. It is not often that 17 per cent. can be made on bullion remittances, but it may well be believed that, had the mint been in existence during the last few months, it would have come in for some of the good things; and its value to the banking and commercial interests during the last year or two would have been great indeed. It would, doubtless, be desirable to endeavour to preserve the new coin in its integrity. Something would be done towards this by making clean coin the only legal tender in the colony. Such a regulation need in no way interfere with the chopped coin, which would circulate as bullion simply, as indeed it does now. The present premium upon the clean coin would merely become a discount upon the chopped; and a notice of two or three months would enable the banks so to adjust their reserves as to save them from serious loss, and if necessary some compensation might be paid. In the event of the government being unwilling to re-establish a mint here, I believe that a company might be formed to work it under a concession for a term of years,—suitable guarantees being taken for the proper management of the undertaking, by a council formed of bankers, merchants, and members of the government. But it would be far better that the government itself should do this if willing. There is no need at all that the Shanghai and the Hong Kong dollar should bear the same devices, although it is most important that they should be of the same weight and fineness. The Americans could hardly improve upon their trade dollar pattern, with liberty represented on one side with the simple declaration, "In God we trust," and the national emblem on the other. For Hong Kong let us have a thoroughly British coin. It might be instructive, although unnecessary, to have St. George trampling upon the Dragon; but let us have by all means the Queen, "by the Grace of God Defender of the Faith," and perhaps the Royal Arms on the reverse. No Chinese characters about it but the weight and fineness. The Hong Kong dollar might be bettered in design. The present subsidiary divisions are well determined, 50c. 20c. 10c. 5c. There may be some justification in the amount of alloy introduced into these subsidiary coins in the fact that they go largely into use as toys and buttons, but if any such attempt as that which is foreshadowed be made by the Chinese government to reap a revenue from debased silver coinage it will be high time for the issue of all such tokens to be discontinued by our government, and coins to be substituted of a purity corresponding to the subsidiary rupee coins in India of 91·666, or that of the English shilling 92·5, this amount of debasement protecting the coin from conversion into bullion, increasing its durability and paying for the cost of its production. There is something in this matter beyond mere dollars and cents, and it occupies wider ground than any account of profit and loss will cover. It is, as the elder Rothschild remarked, in putting forward one of his mighty financial efforts, although in a different sense, "a great occasion." We have the very highest sanction for the political influence of a coinage, and for the validity of those rights which are tacitly admitted

in its acceptance by a nation. "Whose is this image and superscription?" may be asked by millions in the south of China; what should be the answer? "The representative of the British government." And by whom should this be done more or so suitably as by the British government? So far as China has been opened, who has done it? Who have lived and laboured, bled and died in hewing out the pioneer path in the east? What nation has sent forth during the last half-century the flower of her army and navy and some of the best of her aristocracy for the working out and building up the present intricate system of our commercial and political relations? Doubtless it is Britain which has done the lion's share of this, and who has a better right to give a currency to China than the two great English-speaking nations of the world? Mr. Gladstone says, six nations are exercising upon the eastern question of Europe an overwhelming influence, and that it is in the power of either of the two entirely to prevent or most mightily to aid a peaceful solution. Six nations are now exercising a most important influence in a greater eastern question. Not that of Turkey, but of China; the eastern question, not of Europe, but of the world. America has done much for China by her gigantic steam communication. Germany by her ever-increasing trade, and by her proved proficiency not only in the manufacture of the munitions, but also in the art of war. France by her mail steamers, and by her development of trade with China's chief rice-producing country: by her successful colonization of Cochin China, and her efforts in Tonquin. Russia and Japan have alike set a glorious example to China in the abandonment of serfdom, the liberation of their peoples, and by the social and political advancement of these nations. And Britain, with whom lies the chief responsibility, has done much, although she has left very much undone. I think we may safely leave it to the Chinese people whether they will or will not accept American and British dollars, without asking any permission or concurrence of the Chinese government.

The Chairman: After the very able remarks of the last speaker, if no other gentleman has anything to say on this resolution, I beg leave to put it to the meeting. It is proposed by Mr. Welsh, and seconded by Mr. Mendel, "That this Chamber is of opinion that a coinage of a tael, of which a dollar would be just three-fourths, would be the most suitable standard of value for China." Perhaps some gentleman will have an amendment to this motion. It could be put somewhat in this form—that this Chamber declines to give an opinion upon the scheme suggested by the Shanghai Chamber so long as the intention is that such standard of value is issued by the Chinese government, but it will cordially approve of any other scheme that may be proposed for a foreign government, either England or America, to issue a coinage for use in the country. I merely throw this out as a suggestion; it is not my intention to bring forward any proposition of this kind, but I think that perhaps some one will propose an amendment something like it.

Mr. Dalrymple then moved as an amendment, that "Under present circumstances this Chamber does not consider it is advisable that any recommendation should go forth from them requiring a mint to be established by or under the authority of the Chinese government for the issuing of coin, to be a legal currency in the ports open to foreign trade in China."

Mr. Linstead seconded the amendment.

On the amendment being put to the meeting, it was carried without dissent.

INVESTMENTS IN THE PUBLIC FUNDS OF GREAT BRITAIN AND FRANCE.

The numbers of the fundholders in England and France are as follows :—

ENGLAND.						
	Number of fundholders.		Amount of national debt at the end of each financial year.			Interest of permanent national debt.
1872	... 237,616	...	£731,756,962	...	...	£22,156,952
1873	... 233,749	...	727,374,082	...	...	22,136,393
1874	... 228,696	...	723,514,005	...	...	21,986,102

FRANCE.			
	Number of fundholders.		Annual amount of rentes.
1871	... 1,269,739	...	Fr. 386,222,000
1876	... 4,380,933	...	748,404,000

The number of fundholders given in this return includes the holders of annuities for terms of years, holders of India Four per Cent. Stock, &c., about 6,000 in all. From the manner in which the return is made up these cannot readily be separated, but it may be stated approximately that the average amounts of the holdings were :—

IN ENGLAND.						
		Average holding.				Yearly dividend.
1872	... ..	£3,079	...	...	...	£92 7 4
1873	... ..	3,111	...	...	...	93 6 6
1874	... ..	3,163	...	...	...	94 17 8

IN FRANCE.						
		Average yearly rente or dividend.				Value of rente capitalised at 4 per cent., say—
1871	... ..	Fr. 304 =	£12 3 4	...	...	£300
1876	... ..	170 =	6 16 8	...	...	170

(Converting francs at 25 = £1.)

From this statement it appears that the number of fundholders in Great Britain rather diminished, and the average amount of capital held by each fundholder increased between the years 1872-4, while the number of fundholders increased nearly four-fold in France and the average holding diminished nearly half between the years 1871 and 1875. It is clear from this that the habit of investing money in the public funds of the country must be practised by a totally different class in England than in France. The funds in France, like the landed property in France are held far more generally throughout the country than in England. It speaks well for the care, frugality, and thrift of France that this is the case. The average dividend of the

English fundholder is nearly fifteen times as large now as that of the French fundholder. It is a very desirable thing that the holding an interest in the public debt of the country should not be confined to a few persons, comparatively, as it is in England. We should be glad to see the numbers of English fundholders on the increase instead of diminishing, and to see some of the depositors in the English Post Office Savings Banks transferring their holdings from the Savings Bank books to the public funds.

PROPOSED REGISTRATION OF COLONIAL SECURITIES IN
THE FORM OF STOCK.

We have been favoured with the following correspondence relative to the registration of Colonial Government bonds, which was originally printed some time since, as far back as 1874. The subject is an important one, and we have pleasure in bringing it forward as we believe that steps are likely to be taken for carrying the proposal into effect during the present Session.

Stock Exchange, London, May 10th, 1870.

To Messrs. Glyn, Mills, Currie & Co., as Agents for the Government of the Dominion of Canada.

GENTLEMEN—We, the undersigned, being dealers on the Stock Exchange in Colonial Securities, beg to draw your attention to the amount of stamp-duty charged on the transfer of the inscribed stock of the Dominion of Canada whereby that stock is rendered very unmarketable to the detriment of the holder as well as the Dominion Government.

We therefore respectfully request that you will submit our views on the subject in the proper quarter.

In the first place, we should recommend that the Dominion Government should enter into negotiation with the Imperial Government for the total abolition of all duty on transfer, as in the case of Indian 5 per cents; failing this, to commute the duty by an arrangement similar to that which is now being carried out between the Imperial Government and the Metropolitan Board of Works, in the case of the Metropolitan 3½ per cents.; failing this, to obtain a reduction of the present *ad valorem* 10s. per cent. duty, and to assimilate it to that paid on Railway debentures, viz., 6d. per cent.

We have the honour to remain, gentlemen, your obedient servants,

Prance & Wedd; Marshall, Paine & Co.; H. L. Scott; John Marnham;
Gutierrez, Chappell & Sutton; Henry Marnham.

On the receipt of this letter, Messrs. Baring Bros. & Co. and Messrs. Glyn, Mills & Co., forwarded it to the Honble. J. C. Chapuis, Receiver General of Canada.

The subject was felt to be of so much importance by the Canadian Government that they forthwith authorized Sir John Rose to enter into any negotiations on their behalf, with the Secretary of State for the Colonies, or with the Lords of Her Majesty's Treasury, in order to obtain the remission of the stamp-duty desired.

By the end of 1871, however, these negotiations had made so little progress that Messrs. Prance & Wedd, Marshall, Paine & Co.,

Mr. L. Scott, Mr. John Marnham, Messrs. Gutierrez, Chappell and Sutton, and Mr. Henry Marnham addressed a letter to Mr. Lowe, then Chancellor of the Exchequer, requesting his attention to the question on the ground of its importance, especially to *bond fide* investors.

The letter was acknowledged by Mr. Lowe, but no further attention appears to have been given by the Government to the subject, though Messrs. Prance & Wedd endeavoured to recall the attention of the Chancellor of the Exchequer to it, both in April, 1873, and in January, 1874. We understand that it is proposed to bring a bill forward in Parliament this Session to carry out the proposition. It would be a great advantage to many investors to deal with stock instead of bonds in the case of Colonial securities, and we should be glad to see the Bank of England undertaking the duties required. We subjoin a letter from Mr. Westgarth, which forms part of the correspondence on the details of the plan.

REGISTRATION OF THE BEARER BOND.

London, December 23rd, 1873.

To the Hon. the Treasurer of Victoria, Melbourne.

SIR—As some of the Australian Colonies, after a considerable interval, propose to borrow again to some extent in this market, I beg to return to the question of providing for a registration of the present prevailing form of Colonial Government security, the "Bond to Bearer."

Let me state, first, that the Stock Exchange here has gradually come to be the chief purchaser, in the first instance, of all loans. They are bought, as it were, wholesale by that body, and afterwards supplied as wanted to the investing public. For the greater facility of the preliminary and temporary, but very important dealing, the "open bond," as it is called, or "bond to bearer," is found most suitable; and on this account it is now almost always the form of issue of all loans, whether of Governments or other borrowers.

For permanent investment, however, the open bond is obviously not so suitable as registration proprietorship; and the question is how to meet the investing public without diminishing the freedom of Stock-Exchange dealing. The Colonies should not overlook the point, for it is a subject of almost daily experience, that, for want of the safe tenure given by registration, much of the great business of trust investment is lost to their securities.

The Stock Exchange being the immediate customers, a form unsuitable to them means simply a reduced price to the issuer; and therefore it is that the open bond must be adhered to, whether or not there be agreement as to super-adding registration. Any compromise by dividing a loan into the two kinds of stock is inadmissible. Loans should be as uniform as possible for the sake of negotiability; and, besides, the fixedly-registered part of the loan so divided would be apt to realise at first, and afterwards to maintain, only a reduced value.

I have proposed to meet the difficulty by giving an optional registering and unregistering to the bearer bond, as the holder for the time may require. Thus he might register for safe holding purposes; and unregister, and so restore the convenient bearer bond form, when he had occasion to sell or to pledge his stock. By this mode neither transfer deed nor transfer stamp is needed, only some trifling fee to the Registrar.

To protect stock by this registration the bond must be en faced conspicuously with some special marking; and it has been objected to my plan that banks and the Stock Exchange might be delayed and inconvenienced, especially in the pressure of "settling days," by the frequent encounter of such marked bonds. I do not anticipate this in practice, because there would likely be a custom of

unchallenged delivery through the Stock Exchange; besides that, a discharge from registration might be indicated in brief on the face, as well as in detail on the back, of the bond.

The ready mode, however, of meeting this case is to confine the registration, at least at first, to the larger bonds, say of £1,000 only to begin with.

The Stock Exchange would not recognise any liberty of this kind with bonds on the part of private holders. The respective issuing Governments must therefore, by legislative Act, sanction the proposed registration. This may be done by a few words either as part of a Loan Act, or as a short separate Act. The latter would be best, as it may be made applicable to past as well as future issues.

Each Colony might pass such Act, appointing its London Agent General as its Registrar, and leaving that functionary to an amicable conference with the Stock Exchange and others interested.

Probably, ere long, the old unsuitable forms of "Inscribed" and other Registered Stocks, which still linger in the Market, would be entirely superseded by a uniform simple mode like the above.

I have the honor to be, faithfully yours, W. Westgarth.

BANK OF ENGLAND RESERVE.

If our readers will turn to the analysis of the returns of the Bank of England, given in this number, they will observe a somewhat curious circumstance shown in it, and that is that while the actual amount of the reserve of the Bank had diminished—

From	£14,694,912	on January 10th, 1877
To	13,896,824	on February 14th, 1877
Being less on the later date	<u>£798,088</u>	

the proportion borne by the reserve to the liabilities has nevertheless somewhat increased in the same interval, having been 44 per cent. of the liabilities on the former, and 47 per cent. on the later occasion. A far greater diminution of the reserve has been slowly and gradually taking place during the last few months—

From	£22,244,069	on September 20th, 1876
To	13,896,824	on February 14th, 1877
Being a diminution of no less than	<u>£8,347,245</u>	

In ordinary times so enormous a drop as this could hardly have taken place without attention being called to it, and even taking the great depression of trade into account it is certainly a singular thing that so large an amount should have been removed from the reserve without the bank rate being altered. What we now fear may take place is a dangerous weakening of the reserve of the Bank to a point at which a sudden demand may occasion great incon-

venience; and that then if the Bank rate is suddenly and considerably raised, it may be again, as it has recently been on more than one occasion, out of harmony with the market rate, as that in the present state of affairs may be unwilling to follow an advance in the rate of interest, which would find no support in the existing stagnation of the demand for money.

RULES FOR STAMPING BILLS ON HOLLAND.

Bills drawn on Holland from abroad must be stamped with the Dutch *ad valorem* stamp before *being* sold, accepted, endorsed, receipted, paid or in any other manner signed in blank by any person in the Kingdom of Holland.

It is announced that the partnership between Messrs. Alexanders, Cunliffes & Co., of 30, Lombard Street, will be dissolved on the 31st March next, and that Messrs. G. W., R. H., and W. C. Alexander will carry on business at 9, Birchin Lane, and Messrs. Roger and John Cunliffe and William Fowler will join the board of the National Discount Company.

ENDORSEMENT OF CHEQUES PER PROCURATION.

SUPREME COURT OF JUDICATURE, FEB. 17.

COURT OF APPEAL.

Sittings at Lincoln's-inn, on Appeals from the Common Law Division, before the LORD CHIEF JUSTICE and Lord Justice BAGGALLAY.

CHARLES AND OTHERS V. BLACKWELL AND OTHERS.

This case, as the Lord Chief Justice observed, raised a question of considerable importance to the mercantile world, and especially to bankers, as to payments by checks. The plaintiffs, who carried on business in the City in Milk-street, also carried on a separate business in Jewin-street, under the name of "Smith and Co.," through the agency of one Kingsford, who had the general management of that business, with authority to sell goods and to receive payment for them, not only in cash, but also in checks, but who, it was admitted, had no authority to endorse checks made payable to the order of "Smith and Co." The defendants had been supplied with goods by Kingsford on behalf of Smith and Co., and invoices were prepared by Smith and Co. in this form—"Bought of Smith and Co., merchants, London," and in the margin, "Agent, S. Kingsford, Jewin-street." These invoices were sent to Kingsford, and by him were sent to defendants, who gave to Kingsford, in payment, a check on their bankers, payable to Smith

and Co., or order. Kingsford endorsed it, "Smith and Co., per S. Kingsford, agent." The defendants' bankers paid the check so endorsed on presentment. The money was received by Kingsford, who failed to account to his employers for the sum of £262 out of the moneys received by him on their account. The plaintiffs claimed payment of that amount, as part of the proceeds of the check, on the ground that as he had no authority to endorse the check, they were not bound by the unauthorized payment of it to him by the bankers. The demand being resisted, this action was brought to recover either that sum as part of the proceeds of the check or the check itself as their property. Lord Coleridge, however, who tried the case, directed a nonsuit, and the Divisional Court upheld the decision, from which the plaintiffs appealed, and it will be seen that the judgment was now upheld, and the plaintiffs were held not entitled to recover.

The Lord Chief Justice delivered a lengthy judgment prepared by himself and embodying the opinion of the Court of Appeal to that effect. The case, he said, was of considerable importance to the mercantile world, especially to bankers, and it was one of some difficulty. The first question, he said, was whether, as between themselves and their customers, the defendants—the bankers—were justified in paying the check, and he arrived at the conclusion that they were under the provisions of the Bankers Act (16 and 17 Vic., c. 59), by which bankers are indemnified for paying checks, or draughts, payable to order upon forged endorsements purporting to be the endorsements of the persons to whom the draughts are made payable. It was under this enactment, he said, the payment of the check in this case by the defendants' bankers was said to have been warranted; but it was said that the case was not within the enactment because the endorsement did not purport to be that of the person to whom the check was made payable, but of the payees, "by S. Kingsford, agent." The object of the enactment, however, he observed, was to protect bankers from the serious danger likely to arise from forged endorsements. Against forgery of the writing of their own customers the bankers were presumed to be capable of protecting themselves, as they were or ought to be acquainted with the signatures of their own customers, whereas they could not be acquainted with the signatures of the multitude of payees, or agents, who might have to endorse checks upon them made payable to order. It was not unreasonable, therefore, that the banker should be protected from the possibility of forged endorsement. And the danger to which the banker was exposed from his ignorance of the handwriting of the endorsement existed as much where the endorsement purported to be that of an agent as where it purported to be that of a payee. His Lordship proceeded:—The form of an endorsement by procuracion, though not so common, is yet sufficiently so to expose the banker to danger from spurious endorsements in this form, and we cannot doubt that it was the intention of the legislature to protect

him from the liability he could not guard against, whatever the form the endorsement might assume. The payment, therefore, was good as between the defendants and their bankers. Of course, as regarded the payee, no such question could arise until the check had reached him; and if it is lost or stolen and paid on a forged endorsement, the loss must fall on the drawer; but suppose the check to have been delivered in payment to the agent or his authorized agent, it then operates as payment provided it is paid, but if the check is stolen from, or lost by, the payee and is paid to a party, into whose hands it has fallen, before the payee has had time to give notice to the banker, the loss must fall on himself, for he has taken the check in payment, and cannot call upon the debtor for a second payment, so long as the debtor has made no default. Such is the law clearly as to checks payable to bearer. The present, it is true, is not a check payable to bearer, but to order; but there can be no difference in this respect between checks payable to bearer and to order, and the statute meant that the same result should follow, and it did follow in a case like the present. The plaintiffs were content to take in satisfaction of their debt a check drawn on a banker provided it was paid to their order, or what purported to be so. Suppose the defendants had given back the check to the plaintiffs, as required to do, what could the plaintiffs do? They could not sue on it unless they presented it and gave notice of dishonour, but the bankers in refusing to pay it a second time would not dishonour it, having paid it already and to one to whom they were authorized by law to pay it. In the present case, indeed, the endorsement itself is genuine—that is, what it purports to be, that of the agent, but then the agent had no authority to endorse; and does the enactment apply to such a case? The enactment was intended to relieve the banker from liability when paying on endorsements the genuineness of which he has no means of testing. But was it intended to relieve him from the ordinary duty of looking to see that the endorsement was that of the proper endorser? If so it would be incumbent on him, on an endorsement by procuracion, to ascertain that the agent had authority to endorse. But it would be a most serious hindrance to the despatch so essential in banking business, and it would create a serious impediment to the negotiability of checks drawn to order, if a banker paying on such an endorsement were not held to be protected, and were obliged in every instance first to satisfy himself of the agent's authority; it may reasonably be assumed that the statutory indemnity given to bankers was intended to include such a case, and it is, indeed, provided in the enactment that the banker need not prove that the endorsement was made by or with the authority of the person to whom the draught was made payable. The object appears to have been to make the banker free of all liability in respect either of the genuineness or validity of the endorsement, whether purporting to be that of payee or agent. And that being so, the enactment is applicable in such a case as the present. The

check has been given and taken in payment, and it has been paid; and though a part of the proceeds has been lost to the payees, it has not been by any default of the debtors, the drawers. The wrongful act by which the loss was brought about was that of their own servant, and on no principle can the debtors be bound to pay it a second time. If this reasoning, however, were not satisfactory, we should be of opinion that the case should go to a new trial; as in one view of it, which was not submitted to the jury on the trial (a circumstance, we think, to be regretted), the payment to Kingsford was valid even apart from the statute. For it appears to us that there was evidence which might well have been submitted to the jury—that the plaintiffs had held out Kingsford as their general agent, and even that he was possessed of plenary authority to endorse checks payable to the order of “Smith and Co.,”—for the business in Jewin-street was carried on exclusively by him, and his name was printed on the invoices as carrying on the business there for Smith and Co.; he conducted the business not as a manager or foreman, but as authorized to do whatever was necessary in the business, Smith and Co. not being known in Jewin-street, and not to be found in that name. Ostensibly, indeed, the business was entirely in his hands. He was authorized to receive payment by checks, which, if payable to bearer, he could get cashed and carry to account, and probably, had he accounted for the whole of the proceeds of this check, they would have taken no objection to his having endorsed it. Upon these facts, if the question had been left to the jury, they would have been well warranted in finding that Kingsford had an implied authority to endorse the check; at all events, that he was held out and allowed to appear as having such authority. Indeed, the proceeds of this very check may have found their way to the plaintiffs, for all that appears is that a sum of £262 remains due to them from him, and it does not follow that it was part of the money received on this check. But being of opinion that the nonsuit may be upheld in point of law, it is not necessary to send the case again to a jury, and consequently the judgment of the Divisional Court is upheld.

Judgment for the defendants. (*Times*, 19th Feb.)

FORGED NOTES OF THE BANK OF FRANCE.

THE Bank of France has issued a fresh notice relative to the circulation of forged notes of 50 francs. It states that the issue of those of which it gave a description in August last appears to have ceased, but that others less imperfect in imitation are now being passed. These, however, contain imperfections by which they may be readily distinguished; among others are defects in the figures of two boys grouped around an escutcheon at the bottom of the note: the one on the left holding a sword exhibits a break in the right arm, at the point where the biceps joins the forearm, and in the left arm at the angle formed by the elbow. The general execution is, besides, heavy and clouded, while the lines in the genuine notes are clear and sharp. (*Economist*.)

AUSTRALASIAN STATISTICS FOR THE YEAR 1876.

The following Table showing the relative position and aggregate importance of the various Australasian Colonies in the year 1876, has been compiled from official returns issued by the Government Statists.

Name of Colony.	Area in square miles.	Estimated population Dec. 31, 1875.	Mean population during financial year.	Public Revenue.		Total revenue per head of mean population.		Taxation per head of mean population.		Public Expenditure.
				Total.	Proportion raised by Taxation.	£	s. d.	£	s. d.	
Victoria	88,198	823,272	816,034	4,236,423	£	1,724,822	6 5 0 $\frac{1}{2}$	2 2 9	18 3	4,318,121
New South Wales	310,938	606,652	595,465	4,121,996	1,138,901	6 18 5 $\frac{1}{2}$	1 18 3	3 5 2 $\frac{1}{2}$	45 12 3 $\frac{1}{2}$	3,341,324
Queensland	678,600	181,298	172,403	1,261,464	562,227	7 6 4	3 6 2 $\frac{1}{2}$	1 12 8 $\frac{1}{2}$	43 8 2 $\frac{1}{2}$	1,404,198
South Australia	914,730	210,442	207,533	1,143,312	339,103	5 10 2 $\frac{1}{2}$	3 0 11 $\frac{1}{2}$	2 7 5 $\frac{1}{2}$	28 0 1 $\frac{1}{2}$	1,176,412
Western Australia	1,000,000	26,709	26,459	157,776	80,645	6 19 3	2 2 4	3 15 3	41 11 7 $\frac{1}{2}$	169,230
Total	2,992,466	1,848,363	1,816,894	10,920,970	3,845,698	6 0 2 $\frac{1}{2}$	2 2 4	2 7 5 $\frac{1}{2}$	41 11 7 $\frac{1}{2}$	10,409,285
Tasmania	26,215	103,663	103,920	343,676	213,642	3 6 1 $\frac{1}{2}$	2 1 1 $\frac{1}{2}$	3 15 3	21 17 3	386,731
New Zealand	104,900	375,856	368,858	2,813,928	1,350,296	7 16 10	3 15 3	2 7 5 $\frac{1}{2}$	38 12 4	3,431,973
Grand Total	3,123,581	2,327,382	2,279,672	14,078,574	5,409,636	6 3 6 $\frac{1}{2}$	2 7 5 $\frac{1}{2}$	2 7 5 $\frac{1}{2}$	40 4 4	14,226,989

Name of Colony.	Expenditure per head of mean population.	Public Debt on 31st December, 1875.	Indebtedness per head of estimated population.	Exports.		Value per head of mean population of		Total Trade.	
				Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
Victoria	£ s. d. 5 7 0 $\frac{1}{2}$	£ 13,995,093	£ s. d. 16 19 11 $\frac{1}{2}$	£ 16,658,874	£ 14,766,974	£ s. d. 20 9 5 $\frac{1}{2}$	£ s. d. 18 2 4 $\frac{1}{2}$	£ s. d. 38 11 9 $\frac{1}{2}$	£ s. d. 38 11 9 $\frac{1}{2}$
New South Wales	5 12 2 $\frac{1}{2}$	11,470,637	18 18 2	13,490,200	13,671,680	22 13 1 $\frac{1}{2}$	22 19 2 $\frac{1}{2}$	45 12 3 $\frac{1}{2}$	45 12 3 $\frac{1}{2}$
Queensland	8 2 10 $\frac{1}{2}$	6,948,586	38 6 7	3,328,009	3,857,576	6 0 $\frac{1}{2}$	22 7 6	41 13 7	41 13 7
South Australia	5 13 4 $\frac{1}{2}$	3,320,600	15 15 7	4,203,802	4,806,051	20 5 1 $\frac{1}{2}$	23 3 0 $\frac{1}{2}$	43 8 2 $\frac{1}{2}$	43 8 2 $\frac{1}{2}$
Western Australia	6 7 10 $\frac{1}{2}$	135,000	5 1 1	349,840	391,217	13 4 5 $\frac{1}{2}$	14 15 8 $\frac{1}{2}$	28 0 1 $\frac{1}{2}$	28 0 1 $\frac{1}{2}$
Total	5 14 7	35,869,916	19 8 1 $\frac{1}{2}$	38,057,725	37,492,398	20 18 11 $\frac{1}{2}$	20 12 8 $\frac{1}{2}$	41 11 7 $\frac{1}{2}$	41 11 7 $\frac{1}{2}$
Tasmania	3 14 2 $\frac{1}{2}$	1,489,400	14 7 4 $\frac{1}{2}$	1,186,942	1,085,976	11 8 3	10 9 0	21 17 3	21 17 3
New Zealand	9 11 3 $\frac{1}{2}$	17,400,031	46 5 10 $\frac{1}{2}$	8,029,172	5,828,627	22 7 5 $\frac{1}{2}$	16 4 10	38 12 4	38 12 4
Grand Total	6 4 9 $\frac{1}{2}$	64,759,347	23 10 5 $\frac{1}{2}$	47,272,839	44,407,001	20 14 8 $\frac{1}{2}$	19 9 7	40 4 4	40 4 4

Name of Colony.	Miles of Railway open on the 31st December, 1875.	Miles of Tele- graph line on the 31st December, 1875.	Total Cultivation. Acres.	Wheat. Bushels.	Oats. Bushels.	Barley. Bushels.	Maize. Bushels.	Other Cereals. Bushels.
Victoria	617	2,629	1,120,881	4,978,914	2,719,795	700,685	37,177	470,304
New South Wales	437	8,012	451,139	1,958,640	352,966	98,676	3,410,617	14,349
Queensland	265	3,966	77,347	66,845	2,184	12,645	1,122,829	3,301
South Australia	274	3,904	1,444,686	10,739,324	60,749	197,315	—	78,060
Western Australia	38	766	47,571	237,171	18,840	70,196	1,200	8,880
Total	1,631	19,267	3,147,474	17,980,204	3,154,484	1,078,297	4,571,723	674,884
Tasmania	160	396	332,824	700,092	827,043	166,357	—	137,060
New Zealand	642	3,166	607,138	2,863,619	6,367,431	993,219	—	—
Grand Total	2,323	22,819	4,087,436	21,543,915	10,338,968	2,237,873	4,571,723	711,934

Name of Colony.	Potatoes. Tons.	Hay. Tons.	Wine. Gallons.	Horses.	Cattle.	Sheep.	Pigs.
Victoria	124,377	206,613	755,000	196,184	1,054,598	11,749,532	140,765
New South Wales	41,203	88,968	831,749	357,696	3,134,086	24,382,536	199,960
Queensland	9,120	9,841	77,404	121,497	1,812,576	7,227,774	46,447
South Australia	26,833	194,794	727,979	107,164	219,240	6,179,395	100,562
Western Australia	1,179	17,319	—	29,379	50,416	881,861	14,420
Total	202,712	517,535	2,392,132	811,920	6,270,916	50,421,098	502,144
Tasmania	24,456	49,217	—	23,473	118,694	1,719,768	47,664
New Zealand	71,599	72,184	—	99,261	494,113	11,674,863	123,741
Grand Total	298,766	638,936	2,392,132	934,654	6,883,723	63,815,729	673,549

Reports of Joint Stock Banks.

BANK OF BRITISH NORTH AMERICA.

3, Clement's Lane, London, E.C., 8th December, 1876. Sir, I am directed to inform you that the Court of Directors, having examined the accounts of the bank, have declared an interim dividend for the current half-year of one pound, ten shillings per share, being (with the dividend paid in July) at the rate of seven per cent. per annum, free of income-tax, and the dividend warrants will be forwarded as usual, payable on the 5th of January next. There has not, as yet, been any general improvement in business in North America, and it has been difficult to employ the capital of the Bank at satisfactory rates.—I am, Sir, your obedient servant, R. W. BRADFORD, Secretary.

BANK OF LEEDS, LIMITED.

Report presented to the shareholders, at the twelfth ordinary general meeting held on Wednesday, 7th February, 1877:—

"In submitting their annual statement of accounts, the directors have to report that after paying the current expenses of the year, making full provision for all bad and doubtful debts, allowing interest upon the reserve fund and rebate upon undue bills, there remains a net profit of £13,824. 8s. 1d., which with £1,905. 19s. 2d. brought forward from last year gives a total of £15,730. 7s. 3d. Deducting £4,539, the amount of the interim dividend (at the rate of six per cent. per annum) paid in August last, the present disposable balance becomes £11,191. 7s. 3d. Out of this amount, the directors have appropriated £3,200 as an addition to the reserve fund, which (including the interest added) will thus be raised from £45,000 to £50,000; and they now recommend the declaration of a dividend for the six months ending 31st December last, at the rate of eight per cent. per annum, free of income-tax (making seven per cent. for the year), to be payable on the 13th of February. This will absorb £6,052, leaving a balance of £1,939. 7s. 3d. to be carried forward to profit and loss new account. The two members of the board who retire by rotation at this meeting are Messrs. William Henry Comyers and Thomas Tannett, both of whom, being eligible, offer themselves for re-election. The auditor, Mr. George Benson Monkhouse, also retires, in accordance with the Articles of Association, and, being re-eligible, offers himself accordingly."

Balance Sheet 31st December, 1876.

<i>Dr.</i>		LIABILITIES.	
Capital (£25 per share on 6,052 shares)	.. ..	£151,300	0 0
Reserve fund:—Previous amount £41,600; added 31st Dec., 1875, £3,400; interest at 4 per cent. £1,800	.. ..	46,800	0 0
Amount due on current, deposit, and other accounts	.. ..	324,602	13 4
Drafts current, and liability on acceptances	.. ..	75,462	11 1
Balance of profit and loss account, viz.:—balance 31st Dec., 1875, £1,905. 19s. 2d.; net profit for the year £13,824. 8s. 1d., total £15,730. 7s. 3d.; less interim dividend paid 8th Aug., 1876, £4,539	.. ..	11,191	7 3
		£609,346	11 8
<i>Cr.</i>		ASSETS.	
Bills receivable, advances to customers, and loans	.. ..	£543,557	9 1
Cash on hand, and with agents	.. ..	58,629	16 9
Stamps on hand		159	5 10
Bank premises		7,000	0 0
		£609,346	11 8

Bank of South Australia.

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<i>Dr</i>		<i>Profit and Loss Account.</i>	
Current expenses, including salaries, stationery, rates, taxes, &c.		£23,476	7 0
Rebate, carried to new account	.. .. .	1,715	6 2
Interim dividend, half-year at 6 per cent. per annum	.. .. .	4,539	0 0
Balance, viz. :—half-year's dividend at 8 per cent. per annum, £6,052; carried to reserve fund, £3,200; carried to profit and loss new account, £1,939. 7s. 3d.	.. .. .	11,191	7 3
		<u>£20,922</u>	<u>0 5</u>
<i>Cr.</i>			
Balance 31st Dec., 1875, £1,905. 19s. 2d.; rebate, £2,163. 19s. 5d.	.. .. .	£4,069	18 7
Gross profit for the year, after providing for bad and doubtful debts, £23,620. 18s. 10d.; less interest allowed to customers, £6,768. 17s.	.. .. .	16,852	1 10
		<u>£20,922</u>	<u>0 5</u>

BANK OF SOUTH AUSTRALIA.

SUPPLEMENTARY Report presented to the shareholders at the half-yearly meeting, 23rd January, 1877.

The court of directors submit the statement of the bank affairs to 30th June last, duly audited. There is an important increase in the expenditure on bank premises account, occasioned by the construction of the new building in Adelaide on a more eligible site. It will, hereafter, be the duty of the court to consider the best measures for the gradual liquidation of such expenditure. The latest accounts from South Australia give promise of favourable results from the operations of the past year.

General Statement and Balance Sheet.

LIABILITIES.

<i>Dr.</i>			
Promissory notes in circulation not bearing interest	.. .. .	£101,843	0 0
Bills of exchange in circulation not bearing interest	.. .. .	132,423	15 6
Balances due to other banks	.. .. .	29,339	18 6
Cash deposited not bearing interest	.. .. .	269,095	1 5
Cash deposited bearing interest	.. .. .	1,140,813	6 6
Total due to the public	.. .. .	£1,673,515	1 11
Capital paid up, £500,000; reserved fund, £125,000; profit and loss, £48,091. 8s. 9d.; due to shareholders	.. .. .	673,091	8 9
		<u>£2,346,606</u>	<u>10 8</u>

ASSETS.

<i>Cr.</i>			
Coin and bullion, £235,657, 10s. 9d.; balances due from other banks, £99,491. 14s. 4d.	.. .. .	£335,149	4 10
Promissory notes or bills of other banks	.. .. .	1,069	0 0
Government securities	.. .. .	310,867	11 0
Landed or other property of the corporation	.. .. .	49,000	0 0
Notes and bills discounted, or other debts due to the corporation not included under the foregoing heads	.. .. .	1,650,520	14 10
		<u>£2,346,606</u>	<u>10 8</u>

Profit and Loss Account for the half-year from 31st December, 1875, to 30th June, 1876.

<i>Dr.</i>		
Dividend paid 16th July, 1876	£25,000	0 0
Expenses of the establishment, including directors' and auditors' remuneration, officers' salaries, maintenance of buildings, rent, taxes, stationery, income-tax on net profits, &c... ..	17,272	8 3
Balance carried forward	48,091	8 9
	<u>£90,363</u>	<u>17 0</u>
<i>Cr.</i>		
Balance brought forward	£50,394	0 3
Interest on reserved fund	3,314	16 8
Profits from all offices	36,655	0 1
	<u>£90,363</u>	<u>17 0</u>

BANK OF WHITEHAVEN, LIMITED.

THE fortieth annual meeting of the Bank of Whitehaven, Limited, was held in the Board-room of the Bank, Coates Lane, on Tuesday, the 6th ult.—John Thompson, Esq., of Kelswick House, in the chair.

The manager (Mr. John S. Hellon) read the notice convening the meeting; also the following report of the directors to the shareholders:—

“The directors have pleasure in submitting to the shareholders their report of the operations of the bank for the year ending 31st December, 1876.

“The accounts have been carefully audited by Messrs. Stead, Taylor, and Stead, of Liverpool, and their report is appended to the annexed balance-sheet.

“Including the balance—£771. 0s. 3d.—brought from the preceding year, the nett profits for the past year, after deducting current expenditure, the payment of income-tax, and making provision for bad and doubtful debts, amount to £20,974 7 0

“The interim dividend, at the rate of £15 per cent. per annum, and bonus at the rate of £2. 10s. per cent. per annum, paid on the 5th day of August last, absorbed 8,621 7 6

“Leaving at present available £12,352 19 6

“This sum the directors now recommend should be appropriated by the payment of a dividend for the half-year at the rate of £22. 10s. per cent. per annum, or £1. 2s. 6d. per share, which will absorb 11,084 12 6

“And leave the sum of £1,268 7 0 to be carried to the profit and loss account of the present year.

“The directors retiring by rotation are Mr. J. L. Burns-Lindow, of Irton Hall, and Mr. R. S. Thompson, of Elm Bank, Workington, both of whom are eligible for re-election.”

Balance Sheet, 31st December, 1876.

<i>Dr.</i>		LIABILITIES.
Capital, 9,853 £30 shares, on each of which £10 per share is paid	£98,530	0 0
Reserve surplus fund	80,140	0 0
Supplementary reserve fund	10,000	0 0
Bank buildings redemption fund	4,000	0 0

Notes in circulation	23,840	0	0
Short-dated drafts on London, &c.	9,231	6	1
Amounts due on deposit, current, and other accounts	638,204	8	9
Balance of profit and loss account	12,352	19	6
	<u>£876,298</u>	<u>14</u>	<u>4</u>

ASSETS.

<i>Cr.</i>			
Cash in bank, at head office and branches, and at call.. ..	£43,870	9	8
Public bonds, Government stocks, loans on security at short notice, and other investments	76,379	5	5
Bills of exchange, advances on current accounts, and special loans	744,033	3	0
Bank property at Whitehaven and branches	12,015	16	3
	<u>£876,298</u>	<u>14</u>	<u>4</u>

*Profit and Loss Account for the half-year ended 31st December, 1876.**Dr.*

Current expenses, and salaries at head office and branches, and directors' remuneration	£2,410	1	8
Rebate on bills not yet due, and interest due on outstanding deposit receipts	4,761	2	5
Balance of profit at 30th June, 1876	£2,613	3	2
Net profit for half-year ended 31st Dec., 1876	9,739	16	4
	<u>12,352</u>	<u>19</u>	<u>6</u>
Balance of profit and loss account as above	<u>£19,524</u>	<u>3</u>	<u>7</u>

Cr.

Balance of profit and loss, from 30th June, 1876	£2,613	3	2
Gross profit during the half-year ended 31st December, 1876, after payment of income-tax, and making provision for bad and doubtful debts	16,911	0	5
	<u>£19,524</u>	<u>3</u>	<u>7</u>

The chairman, in moving the adoption of the report, congratulated the shareholders on the satisfactory position which the report indicated, and remarked that it had been his privilege to be connected with the bank as a director from its establishment—now forty years ago,—and that its course during that period had been one of continued progress, in proof of which he might state that he had jotted down some of the dividends paid by the bank, which, with the permission of the meeting, he would enumerate. At the first meeting, held on the 3rd February, 1838, when his late respected friend, Mr. George Harrison, occupied the chair, a dividend of £2,500 was declared as the result of the first eleven months' working; in February, 1848, the dividend declared was £5,000; in February, 1857, the amount divided was £8,750; in February, 1867, the division for the year was £11,103. 7s. 4d.; and now, if the recommendation of the directors, in the report at present submitted to them, was adopted, the division as the result of the past year's working would be £19,706. During this period the paid-up capital of the bank had been increased from £25,000 to £98,530. It afforded him great pleasure to be able to make these statements, and he trusted that the future of the bank would continue to be as prosperous as the past had been. He then moved, and it was seconded by Mr. M'Kelvie, and carried unanimously, "That the report and statement of accounts now read be received and adopted."

The following resolutions were also carried unanimously:—

"That a dividend at the rate of £22. 10s. per cent. per annum, free of income-tax, be declared, and that the same be paid on and after the 14th instant.

"That J. L. Burns-Lindow, Esq., of Irton Hall, and R. S. Thompson, Esq., of Elm Bank, Workington, be and are hereby re-elected directors.

"That Messrs. Stead, Taylor and Stead, of Liverpool, be re-elected auditors for the present year, at the usual salary.

"That the thanks of the meeting be given to the directors, the manager, and the officers of the bank, for their attention to its interests."

The dividend now declared makes, with that paid in August last, a total division of £2 per share, or at the rate of £20 per cent. per annum on the paid-up capital of £98,530.

BIRMINGHAM JOINT STOCK BANK, LIMITED.

Report of the directors to the proprietors, at the fifteenth annual meeting, held the 5th February, 1877:—

"The directors have to report the following audited statement of the affairs of the bank to 31st December last. All bad debts have been written off, and ample provision made for doubtful debts. After deducting the rebate of interest on bills discounted not yet due, and payment of all charges and expenses, the accounts show a net profit of £47,920. 12s. 2d. An interim dividend at the rate of 20 per cent. per annum (free of income-tax) amounting to £20,390, was paid for the half-year ending the 30th June last. It is now proposed to make a similar distribution, to add £100 (as usual) to the bank premises redemption fund, and to carry the balance of £7,040. 12s. 2d. to the reserved surplus fund. The directors whose term of office expires on this occasion are P. D. Bennett and Thomas Short, Esquires, who, being eligible, offer themselves for re-election. The auditors, Messrs. Quilter, Ball and Co., also retire, but are eligible for re-election."

Statement of Liabilities and Assets to the 31st December, 1876.

LIABILITIES.

Proprietors' capital	£203,900	0	0
Due to the public on deposit, current and other accounts ..	1,817,572	7	10
Bank premises redemption fund	1,523	1	8

RESERVE FUNDS.

Guarantee fund, invested as follows, viz.:—In consols £100,000;

American government bonds £20,000; Indian government stock £10,000. Debenture stock in the following railways,

viz.:—In London and North Western £5,000; London and

South Western £5,000; London, Brighton and South Coast

£5,000; North London £5,000; North Staffordshire £5,000;

North Eastern £5,000; North British £5,000; Caledonian

£5,000; Great Eastern £5,000; Great Northern £5,000;

Great Western £5,000; South Eastern £5,000; Midland

£5,000; Manchester, Sheffield and Lincolnshire £5,000.

Total invested £200,000. Reserved surplus fund uninvested

£22,530. 13s. 7d. £222,530 13 7

Total £2,245,526 2 8

ASSETS.

Government securities, railway debentures, &c.	£274,444	6	8
Bills of exchange	730,040	8	0
Promissory notes to the bank	15,515	0	0
Advances, and loans on security	1,080,577	5	5
Bank premises, being freehold in New Street and leasehold in Temple Row West	22,491	15	11
Cash in hand, and at agents'	122,457	7	1

£2,245,526 2 8

The chairman, in moving the adoption of the report, said he trusted the shareholders had all found it a satisfactory one. It was fifteen years since they commenced the business of the bank, and he trusted the shareholders would agree with him that they had not had one year when they had not been able to present a satisfactory report. (Hear, hear.) Looking at the past they had reason to have good hope for the future. Although they must not "reckon the chickens before they were hatched," still, as they had gone on so successfully for a number of years, he thought they had fair reason to presume that if they conducted their business as they had hitherto done, circumstances would not favour them less than previously. During the past year they had had unusually low rates of interest to contend with. The causes of the extremely low rate of money were doubtless known to most of them who had a large commercial knowledge. For himself he attributed it in a great measure to many years of past prosperity, which had brought about a large accumulation of wealth. That, in connection with the depressed state of trade, less capital required, and the fact of confidence being so much shaken in foreign loans, thereby keeping a large amount of money in this country, which would otherwise have been invested abroad, had made money abundant; and that, he believed, would account for the low rates of interest. Doubtless, when a revival of trade took place, as it would do, they would have a better state of things in that respect. With reference to the report, he called their attention to an alteration in the amount of bills under discount, and of advances and loans on security. They would find the latter item was considerably increased. He thought that might be accounted for by the fact that their bank had not only been prosperous, but their customers had also been prosperous. Many who in years gone by were beginning life with little means were now in a better position, which enabled them to invest a considerable amount of savings in real security, which security they left with the bank for safe custody, and upon which security they obtained loans for use in their business, instead of working their business by acceptances and discount. That larger amount of security on loans was, he considered, a very safe investment for the bank. He thought there could be nothing safer for the bank than security on real property. He drew attention to those items, because on a former occasion they had a larger amount of bills. Of course, there could not be the same amount of bills when there was not the same amount of trade, for good bills could only exist upon real transactions. (Hear, hear.) He had the satisfaction to inform them that although trade had been flat their connection was increasing, and they would notice that their rate of profit had been maintained, the amount of profit during the past year having been £47,920. That profit during an unsatisfactory state of trade, he attributed to an increase of their connection. He had also to direct attention to the increase of £56,000 in the amount of public money in their hands, showing that the confidence of the public in the bank was maintained. He trusted that the bridge which had carried them safely over so many years would carry them over a long period in the future. After which the following resolutions were carried unanimously—That the report now read be adopted, and that it be printed and circulated among the proprietors; That Mr. P. D. Bennett, who goes out of office by rotation, be re-elected a director of this bank; That Mr. Thomas Short, who goes out of office by rotation, be re-elected a director of this bank; That Messrs. Quilter, Ball and Co., be re-elected Auditors of this bank; That the thanks of this meeting be given to Mr. Joseph Beattie, the general manager, Mr. T. S. James, the deputy-manager, and the other officers of the bank, for the zealous and efficient manner in which they have discharged their duties; That the best thanks of this meeting be given to the chairman and board of directors, for the able and judicious manner in which they have conducted the business of the bank, and to the former for his able and courteous conduct in the chair to-day.

THE BRADFORD OLD BANK, LIMITED.

REPORT of the directors, presented to the proprietors at the half-yearly ordinary meeting, held the 22nd January, 1877.

The directors have to report that the profits for the half-year, after providing for bad and doubtful debts, amount to £32,427. 2s. 3d., this with the balance of £6,783. 9s. 8d., brought forward from last account, makes a total of £39,210. 11s. 11d., which, after the deduction of £357. 17s. for income-tax, leaves a sum of £38,852. 14s. 11d. to be dealt with by this meeting. The directors recommend that a dividend of £1. 12s. 6d. per share, clear of income-tax, be paid (which, with the dividend of £1. 7s. 6d. paid at midsummer, makes the dividend for the year £3 per share), leaving a balance of £4,438. 9s. 11d. to be carried forward to next account. The directors have to announce that a branch of this bank was opened at Shipley on the 1st January, 1877. Messrs. Alfred Harris, Alfred Sharp, and Thomas Wood, retire from the board in the ordinary course of rotation. They are all eligible, and are recommended for re-election. Mr. John Caw, the auditor, retires, but is eligible, and offers himself for re-election.

Balance Sheet, 31st December, 1876.

Dr.		LIABILITIES.	
Capital stock	£423,560	0	0
Reserved fund	102,520	0	0
Deposits, credit balances, &c.	1,700,737	12	1
Unpaid dividends	76	0	0
Rebate on bills	4,307	16	0
Profit and loss—Balance from last account £6,783. 9s. 8d. ; profit this half-year £32,427. 2s. 3d. ; less income-tax, £357. 17s.	38,852	14	11
	<u>£2,270,053</u>	<u>3</u>	<u>0</u>
Cr.		ASSETS.	
Bills and cash	£635,704	5	8
Loans on stock and other securities	350,549	2	6
Investments	23,530	0	0
Advances on current accounts	1,234,356	0	1
Stamps on hand	233	14	10
Bank premises	25,680	0	0
	<u>£2,270,053</u>	<u>3</u>	<u>0</u>

CARLISLE AND CUMBERLAND BANK.

REPORT of the directors to the proprietors at the fortieth annual general meeting, held on the 7th day of February, 1877.

The directors have the pleasure to report, after payment of expenses, providing for bad and doubtful debts, and paying the income-tax, the net profits for the year 1876 amount to £19,045. 18s. 5d. A dividend of ten per cent. for the half-year ending 30th June last has been paid. The directors now propose to declare a further dividend of ten per cent., with a bonus of two per cent. on the paid-up capital, and to write off £2,000 from the bank buildings account; there will then remain a balance of £545. 18s. 5d., which, with £4,938. 14s. 10d. brought from 1876, the directors propose to carry forward to next account. The reserved surplus fund remains at £100,000. Mr. John Morton having been appointed an agent of the bank at Longtown, is not eligible to be an auditor; and the

directors recommend Mr. John Donald, of Victoria Place, Carlisle, to be his successor in that office. Mr. George Smith is the retiring director, and being eligible, offers himself for re-election.

General Balance Sheet for the Year ending 31st December, 1876.

<i>Cr.</i>		LIABILITIES.	
Capital paid up	£75,000	0	0
Notes in circulation, deposits, current account balances ..	635,519	5	7
Reserve fund	100,000	0	0
Balance from 31st December, 1875	4,938	14	10
Net profits for the year	19,045	18	6
	<u>£834,503</u>	<u>18</u>	<u>10</u>
<i>Dr.</i>		ASSETS.	
Cash in hand and at call, bills discounted, customers' balances, &c.	£712,115	3	4
Reserve fund invested in consols, debenture stocks, &c. ..	100,000	0	0
Real property at Carlisle, Alston, Appleby, Keswick, and Penrith	14,888	15	6
Half-year's dividend paid	7,500	0	0
	<u>£834,503</u>	<u>18</u>	<u>10</u>

STATEMENT OF PROFITS.			
Net profits for 1876 as above	£19,045	18	6
Dividend, 10 per cent. paid, £7,500; dividend, 10 per cent. now proposed, £7,500; bonus, 2 per cent. now proposed, £1,500; in reduction of bank buildings account, £2,000	18,500	0	0
Balance in 1876	545	18	5
Amount brought from 1875	4,938	14	10
To be carried forward to next account	<u>£5,484</u>	<u>13</u>	<u>3</u>

CENTRAL BANK OF LONDON, LIMITED.

THE directors submit the twenty-sixth report of the result of the operations of the bank for the half-year ended 31st December, 1876. The annexed accounts show a gross profit, including the sum brought forward from the previous half-year, of £20,554. 18s. 1d., and deducting therefrom the charges at head office and branches, directors' remuneration for the past half-year, and interest to customers, and writing off an adequate sum from the amount expended on bank premises, there remains a balance of £9,002. 3s. The directors, therefore, recommend that a dividend be paid at the rate of £8 per cent. per annum, free of income-tax, that £1,500 be added to the reserve fund, which will thereby be raised to £11,500, and that the surplus, amounting to £3,502. 3s. (including rebate), be carried forward to profit and loss new account. Sir Leopold George Heath and Mr. Griffith Thomas, the directors retiring by rotation, being eligible, offer themselves for re-election. The auditors also go out of office, and offer themselves for re-appointment.

General Balance Sheet, 31st December, 1876.

<i>Dr.</i>		CAPITAL AND LIABILITIES.	
Capital—Authorised £1,000,000; issued in 20,000 shares of £10 each	£200,000	0	0
Amount paid up, viz., £5 per share on 20,000 shares	100,000	0	0

Amount due on current and deposit accounts	967,521 16 0
Acceptances	nil
Reserve fund	10,000 0 0
Rebate of interest on current bills £1,294. 11s. 5d.; profit and loss account—Net profit as per statement £7,707. 11s. 7d.	9,002 3 0
	<u>£1,086,523 19 0</u>

ASSETS.

<i>Cr.</i>	
Cash at Bank of England, in hand and at call	£306,465 7 5
Bills discounted, loans, &c.	636,647 8 2
Bank premises, fittings, and furniture	37,736 3 6
Investments at cost, viz.:—consols, £64,590. 9s. 9d.; new 3 per cent., £5,354. 15s.; reduced 3 per cent., £41,489. 17s. 8d.	105,674 19 11
	<u>£1,086,523 19 0</u>

Profit and Loss Account for the half-year ended the 31st December, 1876.

<i>Dr.</i>	
General charges at head office and branches, including directors' fees, £7,841. 10s.; amount written off bank premises' account for depreciation of leasehold premises, furniture, &c., £968. 3s. 11d.	£8,810 2 11
Interest paid and due on current and deposit accounts ..	2,742 12 2
Rebate of interest on current bills, £1,294. 11s. 5d.; balance, being net profit to 31st December, 1876, £7,707. 11s. 7d...	9,002 3 0
	<u>£20,554 18 1</u>

<i>Cr.</i>	
Balance at 30th June, 1876	£8,605 19 5
Deduct—Amount of 25th dividend paid at the rate of 8 per cent. per annum, £4,000; amount carried to the reserve fund, £2,347. 9s. 5d.	6,347 9 5
	<u>£2,258 10 0</u>
Balance of profit for the half-year ended 31st Dec., 1876, after providing for estimated loss by bad and doubtful debts	18,296 8 1
	<u>£20,554 18 1</u>

THE CLYDESDALE BANKING COMPANY.

REPORT by the directors to the thirty-ninth general meeting of the partners, held 7th February, 1877.

In submitting to the partners the annual statement of the affairs of the bank for the year ending 31st December last, the directors have to report that owing to the dulness of trade, and the very low price of money last year, the profits of banking have been affected to a greater extent than has been experienced for a long period. The accounts, however, show a net profit for the year of £139,417. 2s.; the amount brought forward from the previous year (less income-tax on the dividend paid) was £8,247. 18s. 11d.; making together £147,665. 0s. 11d. for disposal by this meeting. The directors recommend that

the same dividend as was paid last year, viz.; 14 per cent., free of income-tax should now be declared—payable one half on Tuesday, the 13th instant, and the other half on Friday, 3rd August next. The amount required for these purposes will be £141,750, leaving a balance of £5,915. 0s. 11d. to be carried forward to next year's account. The directors who retire by rotation at this time are Messrs. David Wilson and James Reid Stewart, and the board unanimously recommend that Mr. George Thomson, manufacturer, and Mr J. B. Mirrlees, engineer, Glasgow, be elected in their room.

Abstract of Balance Sheet, 31st December, 1876.

LIABILITIES.

Capital of the bank	£1,000,000	0	0
Reserved surplus fund	500,000	0	0
Circulation	599,217	0	0
Deposits	6,584,781	18	9
Acceptances	221,041	1	10
Letters of credit in transitu, and balances due to correspondents	372,784	18	10
Surplus profits	147,665	0	11
	<u>£9,525,490</u>	<u>0</u>	<u>4</u>

ASSETS.

Bills discounted	£4,298,030	9	2
Credit accounts	2,027,688	4	10
Bank buildings	137,846	16	5
Heritable property yielding rent	66,528	18	9
Investments in consols and other securities, and short loans on stock	1,917,346	10	10
Gold and silver coin, and notes of other banks, and cash balances with London and country bankers	1,078,049	0	4
	<u>£9,525,490</u>	<u>0</u>	<u>4</u>

COMMERCIAL BANK OF SCOTLAND.

THE following abstract of the balance-sheet of the Commercial Bank of Scotland was presented to the proprietors at their annual general meeting, on 18th December, 1876:—

LIABILITIES.

Dr.

Paid-up capital	£1,000,000	0	0
Deposits	9,447,073	16	7
Acceptances by the bank and its London agents, and drafts outstanding	521,199	4	10
Notes of the bank in circulation	816,864	0	0
Reserve or surplus fund at 31st October, after providing for dividend and extraordinary dividend or bonus payable in January, and £2,000 in reduction of the cost of bank buildings	416,544	14	3
Set apart to pay dividend in January, 1877, £65,000; to pay extra dividend or bonus out of year's profits, £20,000; to be applied in reduction of bank buildings, £2,000	87,000	0	0
	<u>£12,288,681</u>	<u>15</u>	<u>8</u>

ASSETS.

<i>Cr.</i>			
Bills discounted and advances on accounts	£8,319,576	15	0
Bank buildings at Edinburgh and the branches	151,424	6	1
Government stocks, short loans, and cash balances with London correspondents	2,508,416	18	9
Bank of England stock, the bank's stock, debentures, and other investments	557,521	19	10
Gold and silver coin and notes of other banks	748,741	16	0
	<u>£12,288,681</u>	<u>15</u>	<u>8</u>

STATEMENT OF PROFITS.

<i>Dr.</i>			
Net profits for the year, after deducting the expense of management, rebate of discount, and providing for all bad and doubtful debts	£155,538	2	6

APPROPRIATION OF PROFITS.

<i>Cr.</i>			
Dividend paid in July last, £65,000; set apart for dividend to be paid on 2nd January, 1877, £65,000; for extra dividend or bonus out of year's profits, £20,000; to be applied in reduction of the cost of bank buildings, £2,000; balance to rest or surplus fund, £3,538. 2s. 6d.	£155,538	2	6

The dividend was declared at the rate of £13 per cent. per annum, with an extra dividend or bonus of £2 per cent. out of the profits of the year, both payable, free of income-tax, on 2nd January next. The free rest, after applying £2,000 in reduction of the cost of properties, and providing for the half-year's dividend and bonus above mentioned, amounts to £416,544. 14s. 3d., being £3,538. 2s. 6d. in excess of the amount at the corresponding period last year.

CUMBERLAND UNION BANKING COMPANY, LIMITED.

REPORT of the directors presented at the forty-eighth ordinary general meeting of the company, held at Carlisle, 5th day of February, 1877:—

"The directors herewith submit their report for the year ending 31st December, 1876. The books and accounts have been audited by Messrs. Quilter, Ball & Co., and a copy of the statement of accounts certified by them is annexed thereto. The net balance at the credit of profit and loss account for the year, after making provision for bad and doubtful debts, is £47,327. 10s. 5d. The directors have the satisfaction of recommending the usual dividend of £1 per share, and a further dividend of 5s. per share, by way of bonus, making, together with £1 per share paid in July last, £2. 5s. for the year 1876. The dividend and bonus to be payable at the head office and branches, free of income-tax, on Tuesday, the 6th February. The directors further recommend that £5,000 be taken from the surplus profits, and added to the reserve fund, making that fund £85,000. These dividends, together with income-tax, and the appropriation to the reserve fund, absorb £46,801. 2s., leaving the balance of £1,526. 8s. 5d. to be carried forward to the next account. The directors have to express their regret that during the past year three of their number have been removed by death. The vacancy, caused by the death of Mr. Hodgson, has been filled up by the appointment of Mr. Dobinson; and Mr. Senhouse, of The Fitz, Cockermouth, has been appointed to succeed his brother, Dr. Bell. The death of the chairman, Mr. Head, having so recently occurred, the directors have not yet made any appointment in his place, but they propose doing so shortly. In accordance with the deed of settlement, three directors retire at this time by rotation, viz.:—Robert

Ritson, Esquire, Major James Fairtlough, and Richard Senhouse, Esquire. They are eligible for re-election and offer themselves accordingly."

General Balance, 31st December, 1876.

<i>Dr.</i>				
Capital paid up	£225,000	0		
Reserve or guarantee fund	80,000	0	0	
Deposits on receipt and current account balances	1,705,722	3	9	
Notes in circulation	34,325	0	0	
Balance of profit and loss account	29,026	8	6	
	<u>£2,074,073</u>	<u>12</u>	<u>2</u>	
<i>Cr.</i>				
Cash on hand at head office and branches	£95,472	8	6	
Do. at call, and on security at short notice	203,638	15	1	
Bills discounted, customers' balances, &c.	1,640,973	19	11	
Investment of reserve fund, viz.:—£50,000, consols at 90, £45,000; £20,000 London and North-Western Railway debenture stock, £20,000; £10,000 Midland Railway de- benture stock, £10,000; £5,000 Lancashire and Yorkshire Railway debenture stock, £5,000				
	80,000	0	0	
Bank property at Carlisle and branches.. .. .	53,097	14	0	
Bill and other stamps on hand	890	14	8	
	<u>£2,074,073</u>	<u>12</u>	<u>2</u>	

Profit and Loss Account for the year ending 31st December, 1876.

<i>Dr.</i>				
Expenses at head office and branches, &c.	£17,359	4	11	
Interest on deposits and credit balances, and rebate on bills	31,755	10	6	
Directors' remuneration for the year 1876	1,050	0	0	
Balance, being net profit	47,327	10	5	
	<u>£97,492</u>	<u>5</u>	<u>10</u>	
<i>Cr.</i>				
Balance brought forward from 31st December, 1875	£4,361	14	8	
Gross income at head office and branches during the year, after making provision for bad and doubtful debts	93,130	11	2	
	<u>£97,492</u>	<u>5</u>	<u>10</u>	
<i>Dr.</i>				
Interim dividend to 30th June, 1876	£18,000	0	0	
Income-tax	301	2	0	
Balance available	29,026	9	5	
	<u>£47,327</u>	<u>10</u>	<u>5</u>	
<i>Cr.</i>				
Net profit brought down	£47,327	10	5	
	<u>£47,327</u>	<u>10</u>	<u>5</u>	

ENGLISH, SCOTTISH, AND AUSTRALIAN CHARTERED BANK.

Report of the directors to the proprietors at the forty-seventh ordinary meeting, held at London, 29th January, 1877.

The directors have to refer the proprietors to the accompanying statement of liabilities and assets, showing the position of the bank at the recent audit of the accounts. The net profit on the business transacted during the last half-year, after providing for bad and doubtful debts, and including a balance of £4,819. 13s. 6d. brought forward, amounts to £29,632. 10s. 10d., available for distribution. This amount the directors propose to apply as follows, viz.:— To the payment of a dividend at the rate of eight per cent. per annum, free of income-tax, on £600,000, the paid-up capital of the bank, £24,000; reduction of bank premises and furniture accounts £1,000; reserved fund (making it £70,000), £2,600; and to carry forward the balance of £2,132. 10s. 10d.

LIABILITIES.

<i>Dr.</i>									
Paid-up capital	£600,000	0	0						
Deposits	1,794,212	15	9						
Bills payable and other liabilities	356,303	0	6						
Circulation	156,106	0	0						
Reserved fund	67,500	0	0						
Balance of profit from last half-year	4,819	13	6						
Amount carried to profit and loss account	51,363	5	9						
	£3,030,304			15	6				

ASSETS.

<i>Cr.</i>									
Bills receivable (including the estimated value of those over-due), loans on security, cash at bankers, &c.	£2,634,853	0	8						
Specie and bullion	302,281	8	2						
Bank premises and furniture £132,032. 0s. 5d.; less, written off £38,861. 13s. 9d.	93,170	6	8						
	£3,030,304			15	6				

PROFIT AND LOSS ACCOUNT.

<i>Dr.</i>									
Current expenses in Adelaide, Melbourne, Sydney, and sub-branches	£23,124	0	0						
Current expenses in London, including directors' remuneration and income-tax	3,426	8	6						
	26,550			8	6				
Balance	29,632	10	10						
	£56,182			19	3				
Balance from last half-year	£4,819	13	6						
Amount brought down	51,363	5	9						
	£56,182			19	3				

THE GENERAL CREDIT AND DISCOUNT COMPANY, LIMITED.

REPORT of the directors presented at the half-yearly ordinary general meeting of the company, held the 23rd January, 1877.

The directors have now to present to the proprietors the accounts for the year ending 31st December. The working of the year, including £10,530. 9s. 0d. brought forward from last year, and after making provision for bad and doubtful debts, exhibits a gross profit of £124,198. 7s. 0d., which after deducting rebate (£15,078. 10s. 1d.) and expenses, leaves a sum of £90,034. 14s. 10d. to be dealt with. Of this the directors propose to appropriate £75,000 for dividend for the year at the rate of five per cent. per annum, and to carry forward to next year £15,034. 14s. 10d. The directors, however, deem it prudent, as was intimated in July last as probable, to set apart a portion of the reserve fund to meet such loss as may arise from the realization (whenever it may be thought desirable to effect it) of certain of the Company's assets at the present time much depressed, the depreciation having increased since July. In setting aside one-half of the reserve fund for this purpose, the directors consider they have made ample provision, while with such recovery of the market as may be not unreasonably expected, the eventual loss may be considerably reduced. The long continuance during last year, of rates of discount lower than ever known, sufficiently mark the depressed state of trade, but some signs of improvement are beginning to show themselves. The members of the board retiring by rotation are Mr. Edward Blount, and Mr. Eli Lees who was recently appointed by the board in room of Mr. Brassey resigned. These gentlemen are both eligible, and offer themselves for re-election. The increasing demands on Mr. Brassey's time by his parliamentary duties, he found, to the regret of his colleagues, incompatible with the retention of the seat at the board which he has held since the formation of the Company. Mr. Lees' great experience of business, and the time he has at command since his removal to London, commend him in every way for re-election.

Balance Sheet, 31st December, 1876.

Dr.

Capital.—200,000 shares of £10 each, £7. 10s. paid ..	£1,500,000	0	0
Reserve	100,000	0	0
Reserve contingent	100,000	0	0
Acceptances (against securities).. .. .	345,580	2	8
Liabilities on deposits, loans, &c.	4,796,969	14	10
Balance of profit and loss account as shown below, £90,034. 14s. 10d.; less interim dividend paid in July, £37,500	52,534	14	10
	<u>£6,895,084</u>	<u>12</u>	<u>4</u>

Cr.

Cash, Government and Colonial Government securities ..	£740,378	19	8
Bills discounted, &c.	4,498,249	7	5
Other securities, and loans on securities; freehold premises of the company	1,656,456	5	8
	<u>£6,895,084</u>	<u>12</u>	<u>4</u>

Dr.

PROFIT AND LOSS ACCOUNT.

Current expenses, rates and taxes	£14,085	2	1
Directors' remuneration	5,000	0	0
Rebate on bills and loans not due	15,078	10	1
Balance appropriated as follows:—dividend for the year, including interim already paid, £75,000; carried to next account, £15,034. 14s. 10d.	90,034	14	10
	<u>£124,198</u>	<u>7</u>	<u>0</u>

<i>Cr.</i>			
Balance brought forward from last year	£10,530	9	0
Gross profit for the year 1876 (provision having been made for bad and doubtful debts), subject to rebate and expenses as per contra	113,667	18	0
	<u>£124,198</u>	<u>7</u>	<u>0</u>

HALIFAX JOINT STOCK BANKING COMPANY.

REPORT of the directors to the proprietors at their forty-seventh annual general meeting, held the 31st January, 1877, Joshua Appleyard, Esq., in the chair.

The directors have pleasure in meeting the shareholders on this, the forty-seventh annual general meeting, and have to present to them the following report of the operations of the bank for the year ending 30th December, 1876. After making provision for bad and doubtful debts, the net profits for the year (including £1,685. 17s. 2d. brought forward from the preceding year) amount to £39,218. 7s. 8d. The directors propose that this sum be appropriated as follows, namely:—That £15,000, the interim dividend for the first half-year (7½ per cent.) be confirmed, and that a further dividend of £21,000 be now paid, being dividend at the rate of 10½ per cent. for the second half-year, making 18 per cent. for the year, clear of income-tax; That £1,550 be carried to the building fund, being the amount required for the completion of the new bank premises at Hebden Bridge; that £398. 11s. 8d. be reserved for income-tax; and that £1,269. 16s. be carried to next account. The reserve fund remains at £180,000. It is gratifying to the directors that, notwithstanding the depressed state of trade which has prevailed for the past twelve months, and the participation in the dividend (for the first time) of the new shares, they are enabled to pay the same rate of dividend which they have declared for some years back. The directors are glad to report that the branches of the bank at Sowerby Bridge and Hebden Bridge continue to prosper. The new bank at the latter place has been completed, and was formally opened on the 23rd October last, and the directors have every reason to believe that the advantages to the bank and the district will be mutual. The directors who retire are Mr. Appleyard and Mr. Moore, both of whom are eligible for re-election.

RESOLUTIONS.—1st. Moved by the Chairman, seconded by the Vice-chairman, that the report now read be received and adopted by this meeting, and printed for circulation amongst the shareholders; 2nd. Moved by Mr. Cyrus Brook, seconded by Rev. James Nelson, that the best thanks of this meeting be given to the directors for their efficient services during the past year; 3rd. Moved by Rev. Wm. Gillmor, seconded by Mr. Wm. Stott (Sowerby Bridge), that Joshua Appleyard Esq., and James Moore, Esq., be, and are hereby re-elected directors of the bank; 4th. Moved by Mr. Alfred Ramsden, seconded by Mr. John Riley, that the thanks of this meeting be given to the manager and officers of the bank for their services during the past year. The chair was then taken by Mr. Moore, when, on the motion of Wm. Alexander, Esq., M.D., seconded by Henry Gaukroger, Resolved.—That the best thanks of this meeting be given to the Chairman for his able and courteous conduct in the chair.

LANCASHIRE AND YORKSHIRE BANK, LIMITED.

REPORT of the directors presented to the shareholders at the fourth annual general meeting, held at Manchester, 19th January, 1877.

From the statement now presented of the accounts of the bank for the year ending 30th December, 1876, it will be observed that the net profits, including the balance of £2,159. 9s., brought forward from the previous year, and after payment of all interest, expenses, and income-tax, making provision for bad

debts, and allowance for rebate, amount to £27,915. 12s. 10d. Out of this amount an interim dividend of 6s. per share, clear of income-tax, being at the rate of 6 per cent. per annum, was paid in July last. The marked advance shown by the results of the year justifies the directors in proposing, and they now with great pleasure propose to pay a further dividend of 8s. per share, clear of income-tax, making, with the amount previously paid, a dividend of 7 per cent. for the year. The directors are also enabled to transfer a sum of £6,965 to the reserve fund, raising the fund to £45,000, and to carry forward £3,450. 12s. 10d. to next account. A new branch bank, promising good results, has been recently opened in the important town of Blackburn, under the management of Mr. David Hope, and a sub-branch, under the care of the Burnley manager, has also been opened at Nelson. The bank has now ten branches and three sub-branches. The two directors retiring by rotation are Mr. Philip Goldschmidt and Mr. William Edward Melland, both of whom, being eligible, offer themselves for re-election.

Balance Sheet, December 30th, 1876.

<i>Dr.</i>			
Capital paid up	£250,000	0	0
Reserve fund	38,035	0	0
Amount due to customers on current and deposit accounts, &c.	862,055	2	10
Rebate account	2,265	19	6
Profit and loss account, £27,915. 12s. 10d.; less interim dividend paid July, 1876, £7,500	20,415	12	10
	<u>£1,172,771</u>	<u>15</u>	<u>2</u>

<i>Cr.</i>			
Cash on hand, at Bank of England, and with London and country agents	£163,172	17	6
Bills of exchange, loans to customers, &c.	1,003,346	7	0
Bank property account	6,252	10	8
	<u>£1,172,771</u>	<u>15</u>	<u>2</u>

PROFIT AND LOSS ACCOUNT.

<i>Dr.</i>			
Current expenses at head office and branches, including rent, taxes, salaries, stationery, directors' remuneration, and provision for income-tax, &c.	£11,022	8	10
Rebate on bills discounted not yet due	2,265	19	6
Interim dividend, 6s. per share, paid July, 1876	7,500	0	0
Dividend of 8s. per share for half-year ending 30th December, 1876, £10,000; amount transferred to reserve fund, £6,965; balance carried to profit and loss new account, £3,450. 12s. 10d.	20,415	12	19
	<u>£42,104</u>	<u>1</u>	<u>2</u>

<i>Cr.</i>			
Balance, December 31st, 1875	£2,159	9	0
Gross profits for year ending 30th December, 1876, after payment of interest on current and other accounts, and making provision for bad and doubtful debts	39,944	12	2
	<u>£42,104</u>	<u>1</u>	<u>2</u>
By balance brought down	£3,450	12	10

RESERVE FUND.

Balance, 31st December, 1875	38,035 0 0
Amount transferred from profit and loss account, 30th December, 1876	6,965 0 0
	<u>£45,000 0 0</u>

LEICESTERSHIRE BANKING COMPANY.

REPORT of the directors to the forty-seventh annual general meeting of the shareholders held 7th February, 1877.

The directors have pleasure in submitting to the proprietors the balance-sheet for the year ending 30th December last. After making provision for bad and doubtful debts, and paying the income-tax, the net profit of the bank for the past year amounts to £45,022. 11s. 3d. This sum added to £3,109. 11s. 8d., the unappropriated balance of the preceding year, makes a total of £48,132. 2s. 11d. The directors paid a dividend of £2 per share on the £100 shares, and 8s. 9d. per share on the £25 shares for the half-year ending the 30th of June, amounting to £14,375, and they now recommend that the dividend for the half-year ending the 30th December last, be £2 per share on the £100 shares, and 10s. per share on the £25 shares, being £10 per cent. on the then paid-up capital. After the payment of these dividends, a balance of profit amounting to £18,757. 2s. 11d. will remain; out of this sum the directors further recommend the payment of a bonus of £1. 12s. per share on the £100 shares, and 8s. per share on the £25 shares, also that £3,000 be transferred to the guarantee fund, and that the balance £3,757. 2s. 11d. be carried forward to the current year. The profit and loss account will then stand thus:—

Dr.

Dividend paid to the shareholders for the half-year ending 30th June, 1876	£14,375 0 0
Ditto, ending 30th December, 1876	15,000 0 0
Bonus £1 12s. per share on £100 shares; ditto 8s. per share on the £25 shares	12,000 0 0
Amount transferred to guarantee fund	3,000 0 0
Balance to be carried forward	3,757 2 11
	<u>£48,132 2 11</u>

Cr.

Net profit for the year 1876	£45,022 11 3
Balance of profit, 1876	3,109 11 8
	<u>£48,132 2 11</u>

And the guarantee fund thus:—

Balance, January 1st, 1876	£90,000 0 0
Transferred from profit and loss account.. .. .	3,000 0 0
	<u>£93,000 0 0</u>

The 27th article of the company's deed of settlement recites:—"That two of the directors shall annually retire from office, the vacancies to be filled up at the annual general meeting, providing nevertheless, that on all occasions any retiring director may be re-elected." It is therefore announced that John Howcutt and Nathaniel Chamberlin Stone, Esquires, are the retiring directors. It is with much regret that the directors inform the proprietors that the bank has been

deprived of the services of a tried member of the board by the death of the late Mr. Samuel Seddon, and with reference to that event they think fit to insert in the report the following resolution, which was entered on their minutes on the 1st of September last:—"The directors at their first meeting after the decease of their late esteemed colleague, Mr. Samuel Seddon, desire to record their deep sense of the loss this company has sustained by his removal, he having been for twenty-three years a valued member of the board, during which long period by his careful attention to the duties of his office, high personal character, and unvarying courtesy, he won for himself the respect and esteem of all who were brought in contact with him." To fill the vacancy thus occasioned the directors selected George Pearce, Esq., M.D., whose appointment will have to be confirmed by this meeting. The directors have further to report to the proprietors that finding the bank premises at Kettering quite unsuitable for the important and increasing business of the branch, they decided on purchasing an eligible property offered to them on advantageous terms, and have since accepted a contract for building a new bank on the site, which they hope to have completed during the present year.

Balance Sheet, 30th December, 1876.

<i>Dr.</i>				
Capital	..	..	£300,000	0 0
Reserved fund	..	..	90,000	0 0
Balance of profit, 31st December, 1875	..	..	3,109	11 8
Net profit for the past year, £45,022. 11s. 3d.; dividend paid for the half-year ending 30th June, 1876, £14,375	..	..	30,647	11 8
Deposit and current accounts at head office and the branches	..	..	1,472,705	11 9
Notes in circulation	..	..	61,695	0 0
			£1,958,157	14 8
<i>Cr.</i>				
Investments in consols, £157,275. 7s. 2d.; Indian Government securities, £107,387. 13s. 1d.	..	..	£264,663	0 3
Cash at the head office, the branches, and in London	..	..	193,897	4 1
Bills of exchange	..	..	251,413	3 2
Advanced on cash accounts and on securities, at head office and the branches	..	..	1,223,584	2 7
Bank premises	..	..	24,600	4 7
			£1,958,157	14 8

At the annual general meeting, the advertisement convening the meeting, with the report and accounts, having been read, it was resolved:—1. That the report now read be adopted, printed, and circulated among the proprietors. 2. That the directors be, and they are hereby authorised to declare and pay a dividend of £2 per share on the £100 shares, and 10s. per share on the £25 shares, for the half-year ending the 30th December, in addition to £2 per share on the £100 shares, and 8s. 9d. per share on the £25 shares paid to the shareholders for the half-year ending the 30th of June. 3. That the sum of £12,000 be appropriated to the payment of a bonus of £1. 12s. per share on the £100 shares, and 8s. per share on the £25 shares; that the further sum of £3,000 be transferred to the guarantee fund, and the residue of the profits, viz., £3,757. 2s. 11d. be carried forward to the current year's account. 4. That John Howcutt and Nathaniel Chamberlin Stone, Esqs., be re-elected directors. 5. That the appointment of George Pearce, Esq., M.D., as interim director, in the room of the late Samuel Seddon, Esq., be confirmed. 6. That the thanks of this meeting be presented to the directors for their services during the past year. 7. That the thanks of this meeting be presented to Mr. Lawford, the general manager, and to the other officers of the establishment for their efficient services. Mr. Bankart having left the chair, - Resolved, that the thanks of this meeting be given to him, for his able conduct in the chair.

LIVERPOOL UNION BANK.

Report by the directors to the shareholders, at their forty-second annual meeting, held 7th February, 1877.

The directors beg to submit the following Report:—On the 31st December, 1876, the reserve surplus fund was £195,228. 1s. 5d. The net profits for the past year, after amply providing for all bad and doubtful debts (including a loss which has unexpectedly arisen since the books were closed), have been £81,208. 2s. 5d., together, £276,436. 3s. 10d. From which have been deducted:—Two half-yearly dividends on the increased capital (in July, 1876, and January, 1877), at the rate of 10 per cent. per annum, £80,000; income-tax paid by the bank, £682. 5s. 10d.; leaving as the present reserved surplus fund, £215,753. 18s. 0d. The number of shareholders is 165. The directors retiring by rotation are Mr. Bingham and Mr. Chambres. In accordance with the rule that one of the two retiring directors shall be ineligible for at least one year, Mr. Chambres does not offer himself for re-election; and the directors recommend that Mr. Thomas Holder be asked to join the board. The usual statement of the bank's assets and liabilities is annexed.

Abstract General Balance Sheet, as at 31st December, 1876.

LIABILITIES.

<i>Dr.</i>				
Capital paid up	..	..	..	£600,000 0 0
Reserved surplus fund	..	..	..	215,753 18 0
Due by the bank on deposit and current accounts	..	..	..	2,307,540 19 6
Acceptances by the bank and its London correspondents, against cash bills and other securities..	..	..	..	112,836 15 0
Rebate on bills on hand at 5 per cent.	..	..	..	9,629 17 4
				£3,245,761 9 9

ASSETS.

<i>Cr.</i>				
Bills discounted	..	..	..	£1,250,714 7 7
Advances on current and loan accounts	..	..	..	554,732 11 1
Cash in hand, in Bank of England, and with London bankers, and brokers at call or short notice	..	..	..	1,291,477 16 1
Liabilities of customers for acceptances by the bank, as per contra	..	..	..	112,836 15 0
Bank's business premises and property in Brunswick-street and Fenwick-street	..	..	..	36,000 0 0
				£3,245,761 9 9

Resolutions passed at the forty-second annual meeting of the proprietors of the Liverpool Union Bank, held in the Law Association Rooms, on 7th February, 1877. James Wilson, Esq., in the chair. 1. Moved by the chairman, seconded by Christopher Bushell, Esq., and resolved unanimously—That the report be received and adopted, and that the same be printed and circulated as usual. 2. Moved by Thomas Johnson, Esq., seconded by Robert Mason, Esq., and resolved unanimously—that John Bingham, Esq., be re-elected a director. 3. Moved by Henry Coubrough, Esq., seconded by W. R. Green-shields, Esq., and resolved unanimously—that Thomas Holder, Esq., be elected a director. 4. Moved by William Hind, Esq., seconded by George C. Dobell, Esq., and resolved unanimously—that the thanks of the proprietors be given to the directors for their valuable services during the past year. 5. Moved by the chairman, seconded by the vice-chairman, and resolved unanimously—that the thanks of the meeting be given to Mr. Henderson, the manager, and to the other officers and clerks for their attention to their respective duties. Thanks were unanimously voted to the chairman.

LLOYDS BANKING COMPANY, LIMITED.

REPORT of the directors presented to the shareholders, at the nineteenth ordinary general meeting, held at Birmingham, the 8th day of February, 1877.

Your directors present herewith a statement of the liabilities and assets of the company on the 31st day of December last. The available profit for the past year, including the amount brought forward from last year, after payment of all charges and expenses, carrying forward the amount necessary for the rebate of bills, and making full provision for bad debts and contingencies, is £94,288. 13s. 9d. Out of this an interim dividend at the rate of 20 per cent. per annum, free of income-tax, amounting to £40,000, was declared for the half-year ending the 30th day of June last. Your directors recommend that a dividend of the same amount be now declared; that £10,000 be added to the reserved fund (which will then stand at £220,000), and that the balance, £4,288. 13s. 9d., be carried forward to the profit and loss account of the present year. During the year branches have been opened at Great Bridge, Smethwick, Shrewsbury, and Burton-on-Trent. Since the opening of the latter branch an arrangement has been entered into by your directors for the acquisition of the business of the bank in that town, of Messrs. I. & I. C. Wright & Co. This requires the sanction of a special resolution, and for this purpose an extraordinary meeting is necessary, which will be held at the close of this ordinary meeting. The directors who retire at this meeting are Messrs. Thomas Lloyd, George B. Lloyd, James Moilliet, and Thomas Salt. They are all eligible, and offer themselves for re-election. The auditors, Messrs. Laundy, Harrison, Harris, and Caldicott, also retire, and are eligible for re-appointment.

Statement of Liabilities and Assets, on the 31st December, 1876.

LIABILITIES.			
Subscribed capital (being 50,000 shares of £50 each) ..	£2,500,000	0	0
Capital called up, viz.: 50,000 shares at £8 per share ..	£400,000	0	0
Amount due on deposit, current, and other accounts ..	5,533,742	1	6
Reserved fund	210,000	0	0
Profit (including £6,549. 18s. 4d., brought forward from last year), £94,288. 13s. 9d.; less interim dividend for half-year ending 30th June, at 20 per cent. per annum, £40,000.			
Balance, proposed to be appropriated as follows:—In payment of half-year's dividend to 31st Dec., at 20 per cent. per annum, £40,000: to be added to reserve fund, £10,000; to be carried forward to next year, £4,288. 13s. 9d. ..	64,288	13	9
	<u>£6,198,030</u>	<u>15</u>	<u>3</u>
ASSETS.			
Cash in hand, at agents', at call, and at short notice ..	£902,994	5	4
Bills of exchange	1,633,886	1	6
Consols, freehold, government, and other investments ..	752,606	11	2
Advances, promissory notes, loans on security, &c. ..	2,807,377	11	7
Bank premises and furniture	101,216	5	8
	<u>£6,198,030</u>	<u>15</u>	<u>3</u>

LONDON AND COUNTY BANKING COMPANY.

The annual general meeting of shareholders was held, at the Cannon-street Hotel, 1st February; Mr. Abraham Hodgson Phillpotts, in the chair. The notice calling the meeting was read by the Secretary; the report of the directors was as follows:—

"The directors, in submitting to the proprietors the balance-sheet of the bank

for the half-year ended 31st December last, have to report that after paying interest to customers and all charges, allowing for rebate and making provision for bad and doubtful debts, the net profits amount to £105,447. 6s. 0d. This sum, added to £25,719. 2s. 3d. brought forward from the last account, produces a total of £131,166. 8s. 3d. They recommend the payment of a dividend of 8 per cent. for the half-year, which will absorb £120,000, leaving a balance of £11,166. 8s. 3d. to be carried forward to the profit and loss new account. The present dividend, added to that paid to 30th June, will make 16 per cent. for the year 1876. The directors retiring by rotation are John James Cater, Esq., Edward Harbord Lushington, Esq., and William Henry Stone, Esq., who, being eligible, offer themselves for re-election. By the retirement of Stephen Symonds, Esq., on account of ill health, there is a vacancy in the auditorship, which it is in the power of the meeting to fill up. The dividend, £1. 12s. per share, free of income-tax, will be payable at the head office, or at any of the branches, on or after Monday, 12th instant."

Balance Sheet, 31st December, 1876.

<i>Dr.</i>			
Capital paid up	£1,500,000	0	0
Reserve fund	700,000	0	0
Amount due by the bank for customers' balances, &c., £22,245,013. 3s. 5d.; liabilities on acceptances, covered by securities, £3,048,341. 9s. 10d.	25,293,354	13	3
Profit and loss balance brought from last account, £25,719. 2s. 3d.; gross profit for the half-year, after making provision for bad and doubtful debts, viz.: £314,936. 19s. 4d.	340,656	1	7
	<u>£27,834,010</u>	<u>14</u>	<u>10</u>

<i>Cr.</i>			
Cash on hand at head office and branches, and with Bank of England, £2,254,314. 15s. 8d.; cash placed at call and at notice, covered by securities, £3,410,195. 13s. 11d.	£5,664,510	9	7
Investments, viz.: Government and guaranteed stocks, £2,728,744. 8s. 9d.; Colo- nial government and other stocks and securities, £316,707. 12s. 4d.	3,045,452	1	1
Discounted bills, and advances to customers in town and country, £15,419,456. 15s. 4d.; liabilities of customers for drafts accepted by the bank (as per contra) £3,048,341. 9s. 10d.	18,467,798	5	2
Freehold premises in Lombard Street and Nicholas Lane, free- hold and leasehold property at the branches, with fixtures and fittings	476,248	17	6
Interest paid to customers	48,790	17	10
Salaries and all other expenses at head office and branches, including income-tax on profits and salaries	131,210	3	8
	<u>£27,834,010</u>	<u>14</u>	<u>10</u>

PROFIT AND LOSS ACCOUNT.

<i>Dr.</i>			
Interest paid to customers, as above	£48,790	17	10
Expenses ditto	131,210	3	8
Rebate on bills not due, carried to new account	29,488	11	10
Dividend of 8 per cent. for half-year	120,000	0	0
Balance carried forward	11,166	8	3
	<u>£340,656</u>	<u>1</u>	<u>7</u>

<i>Cr.</i>		
Balance brought forward from last account	.. .. .	£25,719 2 3
Gross profit for the half-year, after making provision for bad and doubtful debts	.. .. .	314,936 19 4
		£340,656 1 7

The chairman said: Gentlemen, there is, as you are aware, so close a connection between the external influence produced upon banking by the state of business and commerce of the country generally that we have usually, on the occasion of our annual general meetings, had a few observations addressed to us on these external conditions before we proceed to examine the items of the particular balance-sheet laid before us. Following that practice, I may refer to the year 1876 as one which was characterised by an excess of floating capital seeking employment, and a very remarkable contraction of general business. The consequence was that the bank's minimum rate of interest, by which we were so much governed in our operations, fell from 5 per cent., with which the year opened, very rapidly to 4 per cent., $3\frac{1}{2}$ per cent., 3 per cent., and on the 20th April, to 2 per cent., quite the lowest rate at which the Bank of England ever does business, and that extreme minimum has continued up to the present time, so that we have had to contend with very low prevailing rates. Now, although the Bank of England rate is a published minimum, it is, with the results of the market generally, practically a maximum, for bankers have not been able to use their spare funds even at 2 per cent. during the past year. I need hardly tell you how much that must tell upon the profits and earnings of an institution like this; for, if when we had a Bank of England rate of 4 per cent. we were unable to get more than 3 per cent., the diminution against us was, say, 25 per cent., whereas when the Bank rate is 2 per cent., if we then get only 1 per cent., of course the difference against us is 50 per cent., and we lose so much more. Of course, this is a state of things which shows a general contraction, as I said, of business generally in the country, and that view is very much confirmed when we look to other facts. The returns from the clearing-house are indicative of the volume of business transacted by the great clearing-banks of the metropolis. These returns, although, of course, not embracing the whole of the banks of the country, or even the whole of the banks of London, still amount to figures of enormous magnitude, and instead of dealing with hundreds of thousands of pounds, we have before us thousands of millions. Now, during the year 1876, the diminution of the entire year, as shown in these returns, comes to £688,048,000, but if we look to the figures of the different quarters of 1876 we find that, comparing the several quarters with the corresponding periods of the previous year, the first quarter showed (and I will deal only with thousands of millions) £1,575,000,000 in 1875, against £1,374,000,000 in 1876, being a reduction of upwards of £200,000,000, or nearly $12\frac{1}{2}$ per cent. In the second quarter there were £1,420,000,000 in 1875, against £1,213,000,000 in 1876, showing a decline of upwards of $14\frac{1}{2}$ per cent. In the third quarter, £1,330,000,000 in 1875, against £1,171,000,000, being a fall of nearly 12 per cent.; and in the last quarter, £1,321,000,000 in 1875 was reduced to £1,199,000,000 in 1876, being a fall of about 9.15 per cent. Well, the result of this examination is, that we find the maximum depression or contraction took place in the summer quarter; and then, again, if we went on to other means of investigation, and looked to the amount of bullion reserves in the two departments of the Bank of England, you will find they all pointed to the same result, viz., that we have had a very contracted business, the contraction reaching its maximum during the summer quarter. At that time prices and values generally were much diminished; freights were extremely low, and exchanges were favourable to importation, and accordingly many of the inland buyers and importing merchants felt that the point reached was a tempting one, and no doubt importations then increased and business showed signs of rather more activity, and many of the most sagacious of those who had the best means of

forming a judgment were of opinion that if peace were preserved a steady and pretty general improvement might be expected. Unfortunately, that one condition, the preserving of peace, could not be ensured, and instead of peace and tranquillity in Europe, we heard and saw hardly anything but preparations for war on an extensive scale. The remainder of the year was affected by that; and the bullion in the Bank of England and the returns I have referred to bear me out in saying that the whole course of 1876 has been of the most unfavourable kind to those who seek to make profits out of large and active transactions. When we turn to our own balance-sheet, we must, of course, expect to see some little shadow thrown upon it by the general influences to which I have referred. The first items remain almost without change; they represent the total capital of the bank, as now, £1,500,000; the reserve fund stands at £700,000, and no real change, therefore, has been made during the year in either of those two amounts. We come next to the amount due by the bank for customers' balances, &c., and that amount stands here as £22,245,013—you may call it nearly twenty-two millions and a quarter. Some one has said there is nothing so delusive as figures, unless it be facts, and really when I come to explain this item, you will almost think I have explained the paradox which that statement implies. If we gave you no explanation, you would immediately infer, by comparing the figures I have read with the £21,399,000 and odd of last year, at which the same item stood in our balance-sheet on the 31st December, 1875, that during the course of 1876 we had acquired an increase of £845,299, and it is against that conclusion that my colleagues particularly wish me to guard you, because I think we are strong enough in everything connected with the London and County Bank to be very well able to afford to tell you the whole truth, and we should not like the figures to mislead you on any point. The £845,299 would not be what you should take as the actual increase during the year; the actual increase has been considerably less. This has resulted from a very large payment of a special character coming into our till at the very moment we were closing the half-year, and having to be passed through our hands, and passing away again a day or two afterwards, cannot fairly be taken as representing increased revenues accumulated by the bank. It was altogether an exceptional operation; therefore if we take the ordinary receipts which have come in in the regular course of business, having no exceptional character attached to them, we must reduce that £845,000 probably more than half. I should also mention this fact, that the normal rate of increase, as you will remember, has for the last eight or ten years been at the rate of about a million a year. Now, that normal rate of increase has been fully maintained, so far as the increase applies to the *current accounts* of the bank, and that is, I need not say, an exceedingly satisfactory circumstance. But the great deficiency or reduction in the rate of increase has arisen by the great falling off in our deposits. This cannot be a matter of surprise to anybody who reflects that, at the low rate, the rate given by banks for deposits—viz., 1 per cent., a large number of customers will consider whether they could not look out for permanent investments which will give a better return, and no doubt many deposits have been withdrawn. Some other deposits have been offered to us, not coming from our regular customers, or those to whom we were under a mutual obligation, at 1 per cent., but we have rather declined than accepted them, for such has been the state of the market that they offered no real advantage; if there were no collateral benefits to be derived from taking in money at 1 per cent. The liabilities upon acceptances show some increase, and that has arisen from active operations on the part of one of our best and largest customers, which operations were in themselves thoroughly legitimate, and have ended, I think I may say, in a most satisfactory manner. The profit and loss balance brought from last account; perhaps you may remember that when the August meeting was held it was mentioned by the chairman, Mr. Stone, we were carrying forward a larger balance into the latter half-year than usual. We carried forward £25,719; that was done because the state of business generally in the month of July had so gloomy an appearance that we felt at the time that the first half-year ought not to divide the profits too closely, lest it should leave the second half in an unfair position, our object being, so far as circumstances

will permit, to make our dividend as uniform and as little fluctuating as possible. That policy has been, I think, fully borne out, and the advantages of it have been shown, because we are now enabled to maintain at the end of the year the same dividend we paid at the middle of the year, and are able to declare it or recommend it to you without the smallest difficulty, or without any straining or pressing in any way. The gross profits of the half-year show a considerable diminution compared with the previous period of 1875; they are £314,936, compared with £395,590. Now, the test of what profits we ought to make will naturally be what has been the average rate of interest during the period to which the profits apply, and we judge of this by the standard to which we all refer as a standard in the course of business, namely, the minimum bank rate of interest. The average minimum bank rate during the last half of 1875 was £2. 16s. 11d., and the uniform bank rate during the latter half of 1876 was £2, the difference between the two being about 29½ per cent. While the relative bank rate of interest had fallen nearly 29½ per cent., the relative reduction in profits earned had been under 20½ per cent. If, then, our reduction of profits earned were at a rate so much smaller than that of the interest with which we had to deal, I think we may be well satisfied. If, therefore, we have profits, or suffered a relative reduction so much smaller we have been deprived of the quantity of straw we ought to have had to make our bricks, but, on the whole, have presented a pretty good tale of bricks as the result of our operations. (Cheers.) On the credit side the cash in hand at the head office and branches and with the Bank of England is smaller than last year. In 1876 the amount is £2,254,314, against in the previous year, £2,735,258, from which you will naturally infer that, during a time of contraction and depression, when there was such an absence of speculation, or any causes in the outer world which would leave an apprehension of grave mischief, we have felt justified—under the circumstances in which we were placed, struggling with a low rate of interest, and trying to give you as good a result as we could—we have felt justified in working with a smaller balance than under other circumstances we should be justified in doing. The cash at call stands at £3,410,195, against £3,375,000; so that where we are getting a little interest you see a little increase. I must draw attention to the next two items—namely, the guaranteed and Government stocks and the Colonial government and other stocks and securities. The Government and guaranteed stocks show an increase during the year of £391,980—that is to say, comparing 1876 with 1875. We have taken advantage during the half-year of all suitable opportunities when prices were, in our judgment, sufficiently low, gradually to increase our Government securities. These represent, to a great extent, consols and other securities guaranteed by the Imperial or British Government. The next item is also increased by £235,000; it was £80,000 in 1875, and is now £315,000. That, again, shows increased investments—they are the Government stocks of some of our colonies, and all the items here are items which we may safely hold as permanent investments; and perhaps you will not be sorry to hear that if we took the whole mass of these items at the market value of the present day, the difference in price as between that and the amount at which they stand in the books would be very greatly in our favour, and would form an important item in our assets. (Cheers.) The amount of discounted bills and advances is £15,419,456, against £14,805,000, making an increase of £613,671, thus showing that we have been employing our money to the very utmost we could, under the circumstances, and I can assure you, as the bills are most carefully scrutinised, that they are of a most gratifying character. So, although the rate may be light, the quality of the bills in our safe at the present moment is most satisfactory. (Cheers.) The liabilities of customers for drafts accepted by the bank is a contra entry against the amount of liabilities. The freehold and leasehold premises in Lombard Street and elsewhere stand, as you would expect, at an increased sum; the amount of increase is £35,000, the figures being £476,248 this year, against £444,139 last year. The larger proportion of this increase applies to the buildings in Lombard Street, which, as you are aware, have been undergoing enlargement and reconstruction, and I might almost say transformation. We have had

to consider the necessity of making our staff thoroughly healthy and thoroughly comfortable in their work; we have had to consider the convenience of our customers and of the public who frequent the bank, and we have had to consider that, in dealing with this very vital question connected with an institution which will survive every one in this room, and will be of lasting importance in this kingdom long after we are passed and gone, that therefore everything we did had to be done with most durable and most excellent materials, and the first quality of workmanship, so that it was impossible to screw down here and economise there. The great thing has been to get the thing well done, and we have had to do the work under this condition—that no portion of the work could be done in banking hours where such work would interfere with, or impede, or suspend the daily business of the bank. The consequence is that we have had to work under disadvantageous conditions as regards cost, and no doubt a considerable sum of money has been spent there, I will not say unavoidably, but wisely spent; and I can only say that when the transformation scene did present itself to us on the 27th of December, the directors and everyone expressed the same opinion, namely that the result bid fair to be extremely satisfactory; but, so far as the directors are concerned, no one will be more delighted than we when the last hammer has struck its last blow in the bank. (Cheers.) The interest to customers shows, as they would expect from the state of the markets, a falling-off of £28,986, being now £48,790, against £77,776 last year. The salaries and other expenses show a small increase; I confess, to my mind, it seems a smaller increase than I expected, only amounting to £1,262. That calls for no comment, but there is a circumstance connected with the staff which I think it right that you should be informed of, and which we hope will meet with your approval. We are now commencing a practice, a new practice to us, of examination of candidates for employment in the bank, and all candidates will, from the present time, be subjected to examination of a very easy kind comparatively, but still sufficient to ensure their possession of certain educational requirements. In doing this we are only doing what other banks have done, and what I think in every case has been found advantageous. We do not stop at the mere number of marks which entitle a clerk not to permanent admission into the staff, but to be received on trial, but if he shows extra merit, and shows that his education has been advanced to a better standard, we add a trifle more to his salary when he has been admitted to employment, and placed on the staff—in other words, when he has been (and not before) reported upon as a thoroughly efficient and satisfactory clerk. We also give particular facilities, even to the extent of increasing the salary of those who present certificates of passing the Oxford or Cambridge senior middle class examination, and that increase would also apply to those who pass the matriculation test of the University of London. This is a new step which we have taken; it is fraught with valuable advantages to the bank, and I hope we shall receive your approval in what we have done. (Cheers.) I have only one or two more statements to make. The number of branches has not been increased beyond the one branch to which Mr. Stone made allusion at last meeting—West Brompton—but we have added to the number of sub-branches. There is opened at Erith a sub-branch to Dartford, one at Surbiton as a sub-branch to Kingston-on-Thames, and one at Weybridge as a sub-branch to Chertsey. We have usually told you the number of our accounts; the number shows an increase of 2,076 during the year, and the aggregate at the end of December was 78,332. The number of our shareholders shows an increase of 416, the aggregate at the end of 1876 being 3,816. The total number of branches which are opened daily was 116 in 1875, and 118 in 1876; those branches which are not opened daily were 32 in 1875, and now 35. The aggregate total in 1876 of branches opened daily and not opened daily was 156, which shows an increase of four during the entire year. (Cheers.) Gentlemen, with these remarks, I beg to move the adoption of the report and accounts.

After some brief observations from shareholders the formal resolutions were unanimously adopted. A vote of thanks was accorded to the directors, to which the chairman replied, and proposed a vote of thanks to the staff, in response to which Mr. W. McKewan, the general manager, said: Gentlemen and brother

shareholders, I beg to thank you most warmly on behalf of my colleagues and myself for the thanks which you have just so kindly voted to us. I may be permitted, perhaps, for one moment, to refer to the discussion which has been introduced—and I am very glad it was introduced—by our friend, Mr. West, with respect to the larger employment of the funds of the bank at its country branches. I say I am glad the subject was introduced, because it enables us altogether to remove a misapprehension which seems to exist that there is a desire to starve the country, if I may use such an expression, that is, to deny proper and legitimate accommodation to our customers at the country branches, in order that the money may be drafted up to London to be employed at moderate rates in London. Now, no idea can be more erroneous than that; our object is to employ as much money as we possibly can safely at our branches, because it is our interest to support our customers there when we can do it legitimately, and I was very glad to hear Alderman Randall bear the testimony he did to the evil of the vicious principle of supporting bad tradesmen against honest tradesmen, not referring to us in particular, but to the point generally. Now I say unhesitatingly that there is no proper accommodation refused to a customer at any one branch. I say it without the slightest hesitation, that anyone who is entitled to credit and entitled to assistance will get that assistance, if it is such assistance as the directors, on the advice of the responsible branch manager, can grant. The misfortune is, and it is one of the incidents of the constitution of the bank, that our branches are mainly scattered through agricultural districts, and we have no large manufacturing towns like Manchester, Bradford, or Newcastle, which absorb enormous sums of money. We have nothing of that sort. The tendency of the great deposits in the country is to flow up to London, and the onus of employing that money is thrown upon the London office, and that is how it is that we are obliged to hold so large a sum in London, invested in some form or the other; and when the bank rate is so low, and the means of employing so low, it tells adversely against the profits of such institutions, where we have a large capital to pay dividend upon, and a large sum to employ upon the London market. (Hear, hear.) The chairman has treated the subject of the bank so exhaustively that you will excuse me going into it. I beg to thank you again for the vote of thanks. I have now been present at these meetings I am afraid to say how many years, but I think it goes back now to thirty-five or thirty-seven years, and I hope I may be spared to have the pleasure of meeting you for some years. (Cheers.)

The meeting terminated with a cordial vote of thanks to the chairman for his able and courteous conduct in the chair.

LONDON AND SOUTH WESTERN BANK, LIMITED.

Twenty-seventh report, presented to the shareholders at the ordinary general meeting, 6th February, 1877.

The directors have the pleasure to present to the proprietors their report and balance-sheet for the half-year ending 31st December last. The gross profits for the half-year, after making a provision for bad and doubtful debts, and including balance brought forward from previous half-year, amount to £29,929. 9s. 3d., and after deducting the usual current expenses, interest paid, &c., there remains an available balance of £11,524. 11s. 4d. The directors recommend the payment of a dividend at the rate of 8 per cent. per annum, free of income-tax; and that the sum of £1,874 be added to the reserve fund; there will then remain a balance of £2,450. 11s. 4d. (including rebate) to be carried forward to the next account. The directors retiring by rotation are Messrs. George A. Elliot, Walter Griffith, and Sidney H. Hadley, all of whom are eligible for re-election, and offer themselves accordingly. The auditors also retire at this meeting, and are eligible for re-election. The dividend will be payable at the head office or branches on and after the 18th February next.

<i>Dr.</i>		<i>Balance Sheet.</i>		
Capital paid up	£180,000	0	0	
Reserve fund	20,126	0	0	
Amount due by the bank on current, deposit, and other accounts	1,251,668	1	10	
Liabilities on acceptances	4,091	7	0	
Balance of profit and loss brought from last account, £1,617. 17s. 1d.; gross profits for the half-year, £28,311. 12s. 2d.	29,929	9	3	
	<u>£1,485,814</u>	<u>18</u>	<u>1</u>	

<i>Cr.</i>				
Cash in hand, £232,443. 11s.; cash at call and short notice, £74,436. 16s. 10d.	£306,880	7	10	
Bills discounted, loans, &c.	1,124,464	18	4	
Bank premises—freehold and leasehold—furniture and fixtures	36,064	14	0	
Current expenses—head office and branches	14,906	2	7	
Interest paid on current and deposit accounts, &c.	3,498	15	4	
	<u>£1,485,814</u>	<u>18</u>	<u>1</u>	

<i>Dr.</i>		<i>Profit and Loss Account.</i>		
Current expenses as above	£14,906	2	7	
Interest paid	3,498	15	4	
Dividend at the rate of 8 per cent. per annum	7,200	0	0	
Reserve fund	1,874	0	0	
Carried forward to profit and loss new account:—Rebate on bills not due, £941. 18s. 7d.; balance of unappropriated profit, £1,508. 12s. 9d.	2,450	11	4	
	<u>£29,929</u>	<u>9</u>	<u>3</u>	

<i>Cr.</i>				
Balance brought from last account	£1,617	17	1	
Gross profit for the half-year	28,311	12	2	
	<u>£29,929</u>	<u>9</u>	<u>3</u>	

LONDON AND PROVINCIAL BANK, LIMITED.

REPORT presented to the shareholders at the ordinary general meeting, held the 30th January, 1877:—

"The directors have pleasure in submitting to the shareholders the half-yearly statement of accounts and balance-sheet to the 30th December last. The gross profits for the half-year, after making provision for bad and doubtful debts, and including the amount brought forward from last account, are £55,129. 17s. 3d., and after deducting all current expenses, income-tax, directors' remuneration, auditors' fees, and interest to customers, there remains a balance of £22,470. 4s. 7d. The directors recommend that this amount be appropriated in the following manner, viz.:—£10,937. 10s. 0d. to the payment of a dividend at the rate of 12½ per cent. per annum, free of income-tax; £2,500 to the reserve fund, raising it to £66,271. 15s.; £500 in further reduction of freehold and leasehold premises account; £3,394. 0s. 4d. to rebate on bills; £5,138. 14s. 3d. carried forward. Since the last half-yearly meeting, Sir Henry Drummond Wolff, M.P., finding that his other engagements did not enable him to devote the necessary time to the affairs of the bank, has resigned his seat at the board. The vacancy thus created in the direction has been filled up by the appointment

of Major Alexander Moncrieff, F.R.S., a large shareholder in the company. The opportunity having presented itself of obtaining very eligible sites, new premises have been erected for our branches at Lewisham and Surbiton, which will shortly be ready for occupation. The directors who retire by rotation are, The Earl of Dunraven, Clare Sewell Reid, Esq., M.P., and Andrew Walls, Esq., who, being duly qualified, offer themselves for re-election. The auditors of the bank—Arthur Cooper, Esq., and Edgar Smallfield, Esq.—also retire, and offer themselves for re-election.”

Balance Sheet, 30th December, 1876.

<i>Dr.</i>		LIABILITIES.	
Capital, 35,000 £10 shares, £5 paid		£175,000	0 0
Reserve fund (invested in £68,522. 8s. 10d., new 3 per cents.)		63,771	15 0
Amount due by the bank on current, deposit, and other accounts		1,662,059	0 6
Balance of last profit and loss account, £4,916. 6s.; gross profit for half-year after making provision for bad and doubtful debts, 50,213. 11s. 3d.		55,129	17 3
		<u>£1,955,960</u>	<u>12 9</u>

<i>Cr.</i>		ASSETS.	
Cash at head office and branches, and deposited on call or short notice, and cheques, &c., in transitu		£284,706	15 5
Consols (including £17,223. 1s. 4d. set aside as security for accounts of H.M. Customs and of County Boards) and other Government stocks, £170,482. 4s.; new 3 per cents. (reserve fund), £63,771. 15s.; English railway debenture and preference stocks, and East Indian railway guaranteed stocks, £69,427. 12s. 6d.; other securities, £4,000		307,681	11 6
Amount due from customers on current accounts, bills of exchange, promissory notes, &c.		1,306,204	4 1
Freehold and leasehold premises at head office and branches; also bank furniture and fittings at head office and branches		24,708	9 1
Current expenses, including income-tax, salaries, rent, &c., at head office and branches, directors' remuneration, and auditors' fees		22,422	16 8
Interest paid on current and deposit accounts, &c.		10,236	16 0
		<u>£1,955,960</u>	<u>12 9</u>

<i>Dr.</i>		<i>Profit and Loss Account.</i>	
Current expenses, as above		£22,422	16 8
Interest paid		10,236	16 0
Dividend, at 12½ per cent.		10,937	10 0
Reserve fund		2,500	0 0
Reduction of premises, &c., account		500	0 0
Rebate on bills not due carried to new account		3,394	0 4
Balance carried forward		5,138	14 3
		<u>£55,129</u>	<u>17 3</u>

<i>Cr.</i>			
Gross profit, as above		£55,129	17 3
		<u>£55,129</u>	<u>17 3</u>

[We are requested to mention that the recently opened branch of the London and Provincial Bank, Limited, at Ruthin, is under the management of Mr. Henry Valentine Baker.]

LONDON AND YORKSHIRE BANK, LIMITED.

Report presented to the shareholders at the ordinary half-yearly general meeting, held at London, the 19th day of January, 1877.

The directors beg to submit the accounts for the half-year ending 31st December last. The Leeds branch was opened in September, and the progress made has been quite satisfactory. The directors are glad to be able to state that though trade has not revived during the past half-year, the general position of the bank has been materially strengthened, and its business is in a sound condition. The annexed accounts show that, after payment of all expenses, allowance for rebate on bills not due, and provision for bad and doubtful debts, there remains (including the balance brought from last account) a net profit of £4,439. 5s. 9d., out of which the directors propose to declare a dividend for the half-year at the rate of 4 per cent. per annum, free of income-tax, and to write off £500 from the preliminary expenses account. This will absorb a sum of £3,367. 14s. 7d., leaving £1,071. 11s. 2d. to be carried forward to next account. The Honourable C. W. W. Fitzwilliam, M.P., and Mr. John Smith are the retiring directors, in accordance with the articles of association, and being eligible, offer themselves for re-election. The retiring auditors, Messrs. Good, Daniels & Co., also offer themselves for re-election.

Balance Sheet, 31st December, 1876.

<i>Dr.</i>		
Capital paid up	£143,804	10 0
Balances on current and fixed deposit accounts, £258,772. 7s. 5d.; drafts on agents and other liabilities, £218,263. 19s. 3d. ..	477,036	6 8
Balance of profit and loss account, as shown below	4,439	5 9
	<u>£625,280</u>	<u>2 5</u>

<i>Cr.</i>		
Cash on hand and with bankers	£82,013	14 5
Bank premises, furniture, and fittings	23,787	17 8
Preliminary expenses as per last report	12,170	3 9
Bills discounted and other securities	507,368	6 7
	<u>£625,280</u>	<u>2 5</u>

<i>Dr.</i>		
PROFIT AND LOSS ACCOUNT.		
Current expenses at head office, and sixteen branches and agencies	£7,166	9 2
Interest paid or accrued on current and deposit accounts, including rebate on bills not yet due	3,467	1 4
Balance appropriated as follows, viz.:— Dividend for half-year to 31st December, 1876, £2,867. 14s. 7d.; to be written off preliminary expenses account, £500; balance carried to next account, £1,071. 11s. 2d. ..	4,439	5 9
	<u>£15,072</u>	<u>16 3</u>

<i>Cr.</i>		
Balance brought from last account	£1,671	3 10
Gross profits for half-year after making allowance for bad and doubtful debts	13,401	12 5
	<u>£15,072</u>	<u>16 3</u>

MANCHESTER AND COUNTY BANK, LIMITED.

Report of the directors to the shareholders at the half-yearly ordinary general meeting, 26th January, 1877.

The directors have pleasure in presenting to the shareholders the annexed statement of accounts for the half-year ended 31st December, 1876, on reference to which it will be seen, that, including the balance of £5,517. 7s. 5d., brought forward from the previous half-year, there is now a net profit of £70,601. 5s. 4d. to be appropriated. Of this amount the directors propose to add £15,000 to the reserve fund, which will thus be raised to £390,000; to pay a dividend at the rate of 15 per cent. per annum, which, together with provision for income-tax, will absorb £50,358. 7s. 11d.; and to carry forward £5,242. 17s. 5d. to the profit and loss account of the present half-year. The subject of the remuneration to the directors and the finance committee will be brought under the consideration of the shareholders at this meeting. According to the 141st clause of the articles of association, the following gentlemen now retire from the direction, but are eligible, and offer themselves for re-election, viz.: Mr. Hugh Birley, Mr. Alexander Brogden, Mr. Richard Buckley, and Mr. James Smith.

Balance Sheet, 31st December, 1876.

<i>Dr.</i>				
Capital: being £15 per share on 44,000 shares..	..	..	£680,000	0 0
Reserve fund	..	..	375,000	0 0
Lodgments on current and deposit accounts, &c. ..	..	..	5,179,076	10 5
Rebate of bills on hand	..	..	14,851	18 9
Profit and loss account:—balance from 30th June, 1876,				
£5,517. 7s. 5d.; net profit for the half-year (as below)				
£65,083. 17s. 11d.	..	..	70,601	5 4
			£6,299,529	14 6

<i>Cr.</i>				
Bills of exchange, loans, credits, cash on hand, and with				
bankers, &c.	..	..	£6,116,765	7 5
Investment in consols	..	..	145,180	2 8
Bank property	..	..	37,684	4 5
			£6,299,529	14 6

Profit and Loss Account, 30th June to 31st December, 1876.

<i>Dr.</i>				
Dividend of £1. 2s. 6d. per share and provision for income-tax			£50,358	7 11
Reserve fund	..	..	15,000	0 0
Balance carried forward	..	..	5,242	17 5
			£70,601	5 4
<i>Cr.</i>				
Balance, 30th June, 1876	..	..	£5,517	7 5
Gross profit for the half-year, after making provision for bad				
and doubtful debts, £86,635. 9s. 2d.; less expenses at head-				
office and branches, directors' and auditors' remuneration,				
and bonus to the officials, £21,551. 11s. 3d.	..	..	65,083	17 11
			£70,601	5 4

MANCHESTER JOINT STOCK BANK, LIMITED.

Report of the directors, to the shareholders, at the ordinary half-yearly meeting, held 24th January, 1877.

"The directors, in presenting the seventh half-yearly balance-sheet and profit and loss account to the shareholders, have to report that after paying all current expenses and interest to customers, allowing for rebate on bills not matured, and making provision for bad and doubtful debts, the net profits amount to £8,705. 1s. 4d. This amount, together with £4,414. 0s. 1d. brought forward from last half-year, shows a disposable balance of £13,119. 1s. 5d. The directors recommend the payment of a dividend for the half-year ending December 31st, 1876, at the rate of 10 per cent. per annum, free of income-tax, which will absorb £5,223. 16s. 3d., leaving a surplus balance of £7,895. 5s. 2d. It is proposed to add £2,500 to the reserve fund, to apply £500 to reduction of purchase of business account, and to carry forward the balance of £4,895. 5s. 2d. to the profit and loss account of present half-year. The reserve fund, with the balance carried forward, will then amount to £51,787. 15s. 2d. The auditor, Mr. James Halliday, retires at this meeting, and the directors recommend his re-appointment."

<i>Dr. Balance Sheet, 31st December, 1876.</i>			
Capital, being £6 per share on 17,060 shares	£102,800	0	0
Reserve fund	44,392	10	0
Current and deposit accounts, &c.	295,754	11	1
Balance, profit and loss, June 30th, 1876, £4,414. 0s. 1d.; gross profit, after making provision for bad and doubtful debts, £14,239. 8s. 2d.	18,653	8	3

£461,100 9 4

<i>Cr.</i>			
Cash on hand and at call	£61,821	15	3
Bills of exchange, advances to customers, &c.	393,744	7	3
Current expenses for half-year, including rent, salaries, &c. ..	3,095	4	6
Interest paid and accrued on current and deposit accounts, and rebate on bills not matured	2,439	2	4

£461,100 9 4

<i>Profit and Loss Account from July 1st to December 31st, 1876.</i>			
Current expenses, as above, £3,095. 4s. 6d.; interest paid and due to customers, and rebate as above, £2,439. 2s. 4d.	£5,534	6	10
Dividend, 6s. per share, or 10 per cent. per annum, and provision for income-tax, £5,223. 16s. 3d.; reduction of purchase of business account, £500. 0s. 0d.; to reserve fund, £2,500. 0s. 0d.; balance carried forward to profit and loss new account, £4,895. 5s. 2d.	13,119	1	5

£18,653 8 3

Balance brought forward from 30th June	£4,414	0	1
Gross profits, after providing for bad and doubtful debts ..	14,239	8	2

£18,653 8 3

The preceding report and balance-sheet having been read by the secretary, the following resolutions were carried unanimously :—

"That the report and balance-sheet of the directors, now submitted, be received and adopted, and that a dividend of 6s. per share, or 10 per cent. per

Manchester and Liverpool District Banking Company: 229

annum, free from income-tax, be and is hereby declared. That James Halliday, Esq., be and is hereby elected auditor for the year 1877. That the thanks of the meeting be given to Mr. W. Murray Fraser, the managing director; Mr. J. Howard Allen, the secretary; and the other officers of the bank, for the efficient manner in which they have discharged their respective duties during the past half-year. That the thanks of the meeting be given to the chairman and the directors for their valuable services during the past half-year."

THE MANCHESTER AND LIVERPOOL DISTRICT BANKING COMPANY.

REPORT by the general directors to the forty-seventh annual general meeting of the proprietors, held on the 31st January, 1877.

The directors have to report to the proprietors that the gross profit for the year 1876, after providing for all bad and doubtful debts, is £344,788. 14s. 1d.

From this have to be deducted:—

Total expenses of the fifty-two establishments, including salaries, stationery, taxes, &c.	..	..	£298,440	18	3	
Sinking fund for bank property	..	..	5,000	0	0	
Income-tax	..	..	2,699	4	6	
Annual percentage bonus to officers of the bank	..	..	5,423	18	2	
						111,564 0 11

Leaving available for distribution	..	..	..	£233,224	13	2
The dividend of 15s. a share, and bonus of 5s. a share, declared by the half-yearly meeting in July, amounted to				90,500	0	0

And there remains	..	..	..	£142,724	13	2
The directors recommend this meeting to declare a further dividend of 15s. a share, and bonus of 5s. a share, which will require	..	..	..	90,500	0	0

And leave a balance of..	..	..	..	£52,224	13	2
to be added to the reserve funds, which will then amount to				£675,388.	17s.	6d.

The meeting resolved that the report of the directors be adopted, and that it be printed for distribution among the shareholders, with the annexed abstract of the bank's balance-sheet.

ABSTRACT BALANCE SHEET AS AT 31ST DECEMBER, 1876.

But embodying the Transfer of the Balance of Profit for the Year.

LIABILITIES.

Capital of the proprietors, viz:—

£10 per share paid up on 90,500 shares	£20	..	..	£905,000	0	0
Reserve funds	..	..	£623,164 4 4			
			52,224 13 2			
				675,388	17	6
						£1,580,388 17 6
Amount due in current and deposit accounts	..	..	..	12,143,839	1	10
Bank's acceptances current	..	..	£2,257 0 0			
Acceptances of London agents current	..	..	113,418 2 5			
						115,675 2 5
Engagements to accept on behalf of customers	..	..	..	991	19	5
Set aside as rebate of interest on bills of exchange not due				42,500	0	0

Net profit of the year 1876	£233,224 13 2	
Less dividend and bonus paid in August	90,500 0 0	
Transfer to reserve funds	£142,724 13 2	
	52,224 13 2	
To be distributed in February	90,500 0 0	
	£13,973,895 1 2	

ASSETS.

Investment of proprietors' capital, viz. :—

Consolidated 3 per cent. annuities, valued at 90	£1,315,000 0 0	
Manchester Corporation 4 per cent. debenture stock	100,000 0 0	
	£1,415,000 0 0	
Cash in hand and in the Bank of England	£735,234 6 3	
Cash with London bankers and brokers, at call and short notice	1,877,733 8 8	
	2,612,967 14 11	
Bills of exchange and advances in current accounts	9,797,970 2 2	
Bank property, consisting of two banks in Manchester, one in Liverpool, and 28 in other places	146,965 4 8	
Liabilities of customers for engagements to accept as per contra	991 19 6	
	£13,973,895 1 2	

THE METROPOLITAN BANK, LIMITED.

REPORT of the directors and statement of accounts presented to the shareholders at the nineteenth ordinary general meeting, held the 24th day of January, 1877.

The directors have the pleasure to present to the proprietors their report and a statement of accounts for the half-year ending at the 30th of December last. The net profit made by the bank during the six months now under review, including the balance of £2,156. 10s. 1d. brought forward from the last account, amounts to £5,982. 6s. 9d. The directors recommend the payment of a dividend, for the half-year ending at the 30th of December last, on the paid-up capital represented by the "A or preferred shares" (both original and new issue) of the bank, at the rate of 8 per cent. per annum, free of income-tax, which will require the sum of £4,090. 17s. 2d., and leave a balance of £1,891. 9s. 7d. to be carried forward to the credit of the next account. The directors who retire at the ensuing general meeting are W. S. Bailey, Esq., and Thomas Campbell, Esq., who are eligible for re-election. The auditors, Messrs. Cooper Brothers & Co., and Alexander Carnegie, Esq., also retire; and, being eligible, they offer themselves for re-election.

Balance Sheet, 30th December, 1876.

LIABILITIES.

<i>Dr.</i>		
Proprietors' capital—20,000 shares, £10 each, fully paid ..	£200,000 0 0	
Less 1,969 shares surrendered by the liquidator of the late Metropolitan and Provincial Bank, Limited	19,690 0 0	
	£180,310 0 0	

Leaving 18,031 shares (divided thus): 9,016 B shares, £10 each, fully paid-up, £90,160; 9,015 A shares, £10 each, fully paid-up, £90,150; 8,081 A shares of £10 each, new issue, £1 10s. per share paid up, £12,121. 10s.	£192,431 10 0
"Asset Valuation Account," representing excess of present value of bank premises, and certain other assets over amount standing against them in the books, as below ..	11,526 17 0
Current, deposit, and other accounts and loans on securities, per contra	307,250 7 7
Acceptances and bills negotiated, as per contra	38,090 0 0
Rebate on bills discounted, not yet due, £546. 0s. 1d.; balance of profit and loss, £5,982. 6s. 9d.	6,528 6 10
	£555,827 1 5

ASSETS.

<i>Cr.</i>	
Cash on hand at Bank of England, and at call	£80,813 14 5
City Bonds	4,609 12 9
Bills discounted, loans, and other accounts	293,675 8 0
Bank premises, as per certificate of valuer, 11th July, 1872, exclusive of fittings	20,000 0 0
Contingency account	113,564 9 5
Estimated value of interest in the assets and securities of the late Metropolitan and Provincial Bank	4,631 12 5
Stamps	442 4 5
Acceptances and bills negotiated, per contra	38,090 0 0
	£555,827 1 5

Profit and Loss Account from 1st July to 30th December, 1876.

<i>Dr.</i>	
Current expenses, directors' fees, salaries, law, and other charges	£3,207 5 3
Rebate on bills discounted, not yet due, £546. 0s. 1d.; balance of profit and loss, £5,982. 6s. 9d.	6,528 6 10
	£9,735 12 1

<i>Cr.</i>	
Rebate on bills discounted, at 30th June, 1876, and not then due, as per balance-sheet of that date	£569 8 1
Balance of profit and loss brought forward at 1st July, 1876, £6,243 0s. 8d.; less dividend, at the rate of 8 per cent. per annum, to 30th June, 1876, £4,086. 10s. 7d.	2,156 10 1
Balance of gross profits for the half-year ending 30th Dec., 1876, after payment of interest and commission, &c. ..	7,009 13 11
	£9,735 12 1

Asset Valuation Account, 30th December, 1876.

<i>Dr.</i>	
Balance carried to balance-sheet above	£11,526 17 0
	£11,526 17 0

Cr.

Value of interest in assets and securities of the late Metropolitan and Provincial Bank, estimated at £16,366. 3s.; less balance already standing in the books at the credit of the late Metropolitan and Provincial Bank, £11,734. 10s. 7d.	£4,631	12	6
Bank premises, No. 75, Cornhill, as per certificate of valuer, dated 11th July, 1872, £20,000; less amount at which the same already stands in the books, £13,104. 16s. 6d. ..	6,895	4	7
	£11,526	17	0

THE NATIONAL BANK.

REPORT presented to the proprietors at the forty-second annual general meeting, held at London 25th of January, 1877. The Right Hon. W. N. Massey, M.P., in the chair.

The directors submit the following statement of accounts and the auditors' report, shewing the position of the society on Saturday, the 30th December, 1876.

Assets and Liabilities, Saturday, 30th December, 1876.

ASSETS.

<i>Dr.</i>			
Gold and silver coin at Irish branches	£1,074,861	7	1
Cash on hand and at the Bank of England	563,852	3	6
Government stock and Exchequer bonds	867,270	13	11
Indian guaranteed, Colonial government, and other stocks	1,107,290	3	4
Advances on securities at call and at short notice	1,238,259	8	6
Advances on securities at sundry dates, and current accounts, including balances due by country bankers	2,453,012	6	10
Bills discounted	4,487,472	14	8
Bankers' guarantee and securities held against acceptances, per contra	14,899	10	2
Government stock advanced for parliamentary deposit ..	2,000	0	0
Government stock lodged for metropolitan vestry accounts	32,735	0	0
Bank premises in London, Dublin, and branches, freehold and leasehold	252,665	16	7
	£12,094,319	4	6

LIABILITIES.

<i>Cr.</i>			
Notes in circulation	£1,453,280	10	0
Due by the bank on deposits and current accounts	8,941,892	19	6
Acceptances to bankers' drafts and on security	14,899	10	2
Capital paid up, £1,500,000; Rest or undivided profits, £80,000; Balance of profit and loss, £104,246. 4s. 9d. ..	1,684,246	4	9
	£12,094,319	4	6

Profit and Loss, Saturday, 30th December, 1876.

<i>Dr.</i>			
June, 1876. Amount transferred to rest or undivided profits ..	£6,826	15	10
July. Half-year's dividend to 30th June, 1876	90,000	0	0
Total expenditure at the head office and all the branches, including rent, taxes, salaries, &c., &c.	71,183	6	8
Balance to profit and loss new account, applicable to payment of dividend to 31st December, 1876	104,246	4	9
	£272,256	7	3

<i>Cr.</i>			
Balance at 30th June, 1876	£102,838	8	2
Gross profits for the half-year ending this day, after payment of interest, income tax, duty on circulation, and providing for bad and doubtful debts, £193,147. 19s. 1d; less rebate of interest on bills not due, £23,730	169,417	19	1
	<u>£272,256</u>	<u>7</u>	<u>3</u>

The profit and loss account of the bank for the past half-year, including £6,011. 12s. 4d. brought over from last account, leaves a balance available for dividend of £104,246. 4s. 9d. The board have declared a dividend at the rate of 12 per cent. per annum, or 36s. per share for the half-year, payable, free of income tax, on and after Saturday the 27th instant. The dividend absorbs £90,000, leaving a balance of £14,246. 4s. 9d., of which amount £10,000 has been carried to rest or undivided profits, and £4,246 4s. 9d. to profit and loss new account. The rest will now stand at £90,000. The directors have opened, since their last report, a new branch at Ballaghaderreen. The amounts due to the bank in respect of the decrees against two of the late directors have now been ascertained and certified, and steps are being taken to recover the amounts. An appeal from the Vice-Chancellor Bacon's judgment, in November last, has been lodged by the other defendant, and it will shortly come before the Lords Justices for hearing. The directors who retire by rotation this year are Anthony John Mundells, Esq., M.P., William Emmens, Esq., and the Right Hon. William Nathaniel Massey, M.P., who being eligible, offer themselves for re-election.

NATIONAL BANK OF LIVERPOOL.

The ordinary general meeting of the proprietors was held 19th January, Mr. Alfred Turner, chairman of the directors, presided.

The directors' report was as follows:—"The directors of the National Bank of Liverpool, Limited, now present to the proprietors their twenty-fourth report for the half-year ending 30th December, 1876. The following are the duly audited accounts of the bank :

ASSETS.

<i>Cr.</i>			
Cash in hand and at Bank of England	£154,336	1	2
Due to the bank on bills discounted, loans to customers, &c.	1,210,571	6	7
Bank premises	25,000	0	9
Total assets	<u>£1,389,907</u>	<u>7</u>	<u>9</u>

LIABILITIES.

<i>Dr.</i>			
Due by the bank on deposit and current accounts, &c.	£717,518	19	6
Acceptances	91,294	16	9
Total liabilities to public	<u>£808,813</u>	<u>16</u>	<u>2</u>
Capital paid up, £450,000; Reserve fund, £105,000; rebate at 2 per cent., £1,833. 14s. 10d.; profit and loss, £24,259. 16s. 9d.	581,093	11	7
	<u>£1,389,907</u>	<u>7</u>	<u>9</u>

Profit and Loss Account.

<i>Dr.</i>					
Balance from last half-year	...	..	..	...	£5,820 1 2
Net profit for half-year ending 30th December, 1876, after writing off bad and providing for doubtful debts, £20,273. 10s. 5d.; less rebate at 2 per cent. on current bills, £1833. 14s. 10d.					18,439 15 7
					<u>£24,259 16 9</u>

The above accounts show a net profit for the past half-year of £18,439. 16s. 7d., to which must be added £5,820. 1s. 2d. brought forward from last account, making an available balance of £24,259. 16s. 9d. From this amount the directors have transferred £5,000 to the reserve fund, and they recommend that out of the remainder a dividend be declared at the rate of 7 per cent. per annum, or 10s. 6d. per share, leaving a balance of £3,509. 16s. 9d. to be carried forward to new account.

The reserve fund now amounts to £110,000. The figures will stand thus:—To transfer to reserve fund, £5,000; to dividend of 10s. 6d. per share, free of income-tax, £16,750; to profit and loss new account, £3,509. 16s. 9d., together £24,259. 16s. 9d. The directors retiring by rotation are Mr. Alfred Turner and Mr. James Beasley, both of whom are eligible, and they offer themselves for re-election. The directors have appointed Mr. Harwood W. Banner, of Liverpool, and Mr. Henry Guinness, of Dublin, as auditors for the present year, which will require the confirmation of the proprietors.

The Chairman said,—Gentlemen, you have heard the report read, and it now becomes my duty as chairman to move the adoption of it; and, I think, considering the very dull state of trade that has prevailed during the greater part of the year, and the unusually low rate of money throughout the whole of the year, you will agree with us in considering it not an unsatisfactory one. We have been able to maintain our dividend and to add to our reserve fund, and also to carry over a considerable amount of profit towards this year's account, though, per contra as to the profit, I should observe that, as you see, the rebate is unusually low, which prevented us from considering any other way of dealing with it. During the past year we have opened two more branches, and it is our intention, as opportunity offers, to continue to increase them, as we look upon that course as the best means of gradually extending our usefulness and increasing our profits. I will conclude by saying that no bank could possibly have its accounts in a sounder or more satisfactory position than ours are at the present moment. We have not a single bill under re-discount, and I think that as regards the future—though it is not the duty of the directors to prophesy—the gradually decreasing reserve in the Bank of England points at no very distant date to come alteration in the dreadfully stereotyped 2 per cent, which we have been looking at for the last ten months. When that happy time comes, I think we shall be able to find legitimate and profitable employment for our accumulating funds. After some complimentary remarks from the shareholders present the report was unanimously adopted. The directors and auditors having been re-elected, the meeting terminated with votes of thanks to the directors and the staff.

NATIONAL DISCOUNT COMPANY, LIMITED.

FORTY-FIRST REPORT submitted to the shareholders at the ordinary general meeting, 17th January, 1877; Mr. M. H. Chaytor in the chair:—

"The directors have much satisfaction in presenting the annexed statement, showing the results of the operations of the company for the past half-year. The gross profit, including a balance of £1,824. 4s. 7d. brought forward from the last account, amounts to £91,442. 5s. 1d., and, after payment of all charges, including directors' and auditors' remuneration, making the usual addition to

premises redemption fund, and reserving £29,526. 17s. 1d. for rebate of interest on bills not due, there remains a net profit of £52,701. 2s. 6d. Of this sum the directors recommend that £10,000 be carried to the credit of the reserve fund, which will then amount to £427,500, and that £40,000 of the remainder be appropriated to the payment of a dividend at the rate of 10 per cent. per annum, free of income tax, leaving a balance of £2,701. 2s. 6d. to be carried forward to the next account. It is with very great regret the directors have to announce the death of their esteemed colleague, Mr. George Nicholas, who had been associated with them in the direction for nearly twenty years. The election of Mr. Charles A. Dickinson to the vacant seat at the board caused by the retirement of Mr. F. C. Wilkins, will require the confirmation of the shareholders. The directors who retire by rotation on this occasion are Mr. George Burnand, Mr. Charles A. Dickinson, and Mr. Charles Richard Fenwick, who are eligible, and offer themselves for re-election. A vacancy having occurred in the office of trustee by the death of Mr. Nicholas, it is proposed that Mr. Augustus Sillem be elected in his place. The auditors, Mr. J. M. Bell and Mr. J. R. Morrison, retire, and offer themselves for re-election for the current year. The articles of association of the Company having been framed under the earliest Acts conceding limited liability, the directors are advised to substitute others more in accordance with recent enactments, and the necessary alterations are under consideration."

(A)

Balance Sheet, 31st December, 1876.

<i>Dr.</i>				
Capital—viz., 160,000 shares of £25 each, £5 per share paid	£800,000	0	0	
Reserve fund	427,500	0	0	
Liabilities on deposits, loans, &c.	7,785,428	1	1	
Premises redemption fund.	2,767	2	4	
Amount at credit of profit and loss account, as shown on statement B	42,701	2	6	
	<u>£9,058,396</u>	<u>5</u>	<u>11</u>	
<i>Cr.</i>				
Cash, Government, and other securities	£724,083	5	4	
Loans at call and short date	946,060	4	6	
Bills discounted, &c.	7,344,009	13	2	
Premises	44,243	2	11	
	<u>£9,058,396</u>	<u>5</u>	<u>11</u>	

(B)

Profit and Loss Account for the half-year ending 31st December, 1876.

<i>Dr.</i>				
Current expenses, including rent, taxes, income tax, salaries, and all other charges	£6,361	13	10	
Directors' and auditors' remuneration	2,660	0	0	
Premises redemption fund	202	11	8	
Rebate of interest on bills not due, carried to new account ..	29,526	17	1	
Amount carried to reserve fund	10,000	0	0	
Dividend at the rate of 10 per cent. per annum on the paid-up capital of £800,000, £40,000; to balance carried forward to profit and loss new account, £2,701 2s. 6d.	42,701	2	6	
	<u>£91,442</u>	<u>5</u>	<u>1</u>	
<i>Cr.</i>				
Balance brought forward from last account	£1,824	4	7	
Gross profits during the half-year	89,618	0	6	
	<u>£91,442</u>	<u>5</u>	<u>1</u>	

The chairman congratulated the shareholders that they met again under more favourable circumstances than the general state of business had led them to expect. On comparing the totals in the balance-sheet with those of the same period last year, it would be seen that the business had kept up to the usual level. That was not the case; it was 17 per cent. less. The business had not fallen off really, but there was not so much business to be done in the market. It would be seen from the Board of Trade returns that the bill stamps issued had fallen off by a quarter of a million, as compared with two years ago, and their own books showed that the average of each bill had fallen off by £100. The number of their customers had not diminished, on the contrary, they had opened several new accounts, but the amount of business had not come up to what they had been used to. Again, the competition for the limited area of business offering was such as to produce a smaller margin between the rate at which they borrowed money and the rate at which they discounted bills, which was lower than in any but one year since they commenced business. The abundance of money and the competition for its employment had narrowed the profit by at least one-half per cent. as compared with two years ago, when the rate of interest was the same as now. In 1867-8 the rate was down to 2 per cent. for 10 months, and it had now been 2 per cent. for eight months, but the discount rate was 1 per cent. greater then than now. During the past half-year there had been many failures, but they had not attracted the same attention as when the amounts were larger and the names more striking. He was happy to say that, although they had not been without failures, owing to the skill and judgment of the managers, they had made no bad debts, nor were there any prospects of any. Greater prosperity would no doubt come with the revival of business, but at present there were no prospects of it.

Mr. George Burnand seconded the motion.

The chairman, in putting the motion, mentioned the fact that he expected that the reserve fund would be added to by not less than £20,000 from the realisation of the bad debts of 1875. There were some assets of the Collieries remaining, which it was believed would add 5*d.* or 6*d.* in the pound to the dividend from that estate.

The motion was adopted, and the retiring directors, auditors, and trustees were re-elected.

The chairman, in acknowledgment of a vote of thanks to the directors, called attention to the retirement, owing to ill-health, of Mr. Price, who had been their secretary from the beginning, speaking highly of that gentleman's services; and

Mr. Morrison, in testifying to the ability and courtesy of the retiring secretary, expressed a hope that Mr. J. Ellen, his successor, would follow his example.

Mr. Price, in acknowledging a vote of thanks, observed that during the 21 years he had been in the service of the company he had been treated with the greatest confidence and kindness by the directors and shareholders.

THE NORTH-EASTERN BANKING COMPANY, LIMITED.

NINTH REPORT, submitted to the shareholders at the half-yearly meeting, held at Newcastle-on-Tyne, 2nd February, 1877.

The directors think it matter for congratulation that, although there has been little, if any, improvement in trade during the past six months, the result of the bank's operations has been more favourable than during any one of the four previous half-years. The annexed accounts show that the balance of profit, after making the customary allowances, is £5,623. 16*s.* 4*d.* Of this amount the directors recommend that £4,967. 10*s.* be appropriated to the payment of a dividend upon the ordinary shares for the half-year of 2*s.* 6*d.* per share, free of income tax, being at the rate of £4. 3*s.* 4*d.* per cent. per annum, and that the balance of £656. 6*s.* 4*d.* be carried forward. An agency of the bank was opened at North Sunderland, Chathill, in July last, as a sub-branch to Alnwick. The new premises in Grey-street, intended for the head office of the bank, are rapidly

approaching completion, and it is expected that they will be ready for occupation in about two months. The portion of the Pilgrim-street property mentioned in the last half-year's report as then advertised for sale, was afterwards sold privately at a fair price. The buildings at Hexham have been completed, and are now occupied. It will be observed that there is a reduction in the number of ordinary shares issued. This results from the forfeiture of 260 shares under powers conferred by the Articles of Association, the capital represented by them having been applied in payment of sums which the former holders owed to the bank. The directors who retire by rotation are George A. Cayley, Esq., Captain the Hon. Cecil Duncombe, and Thomas Hedley, Esq., who, being eligible, are recommended for re-election; as are also the auditors who now retire from office.

Balance Sheet, 30th December, 1876.

<i>Dr.</i>			
Capital—39,740 ordinary £20 shares, £6 paid, £238,440; 1,000 deferred shares,* £20,000	.. .. .	£258,440	0 0
Reserve fund .. .. .	.. .. .	80,000	0 0
Deposits in anticipation of calls .. .. .	.. .. .	10,612	0 0
Amount due on deposit and current accounts, and to correspondents, £506,513. 6s.; acceptances, £3,856. 14s. 11d.	.. .. .	510,370	0 11
Profit and loss—balance at June 30th, 1876, £609. 10s. 7d.; Net profit for half-year ending December 30, 1876, as below, £5,014. 6s. 9d.	.. .. .	5,623	16 4
		<u>£865,045</u>	<u>17 3</u>
<i>Cr.</i>			
Consols .. .. .	.. .. .	£46,218	15 0
Railway debenture and preference stocks .. .. .	.. .. .	30,392	8 3
Mortgages, railway stocks, and other securities .. .. .	.. .. .	68,804	18 10
Bills discounted, loans to customers, &c. .. .. .	.. .. .	586,640	4 10
Acceptances as per contra .. .. .	.. .. .	3,856	14 11
Preliminary expenses* .. .. .	.. .. .	20,000	0 0
Bank premises, furniture, and fixtures .. .. .	.. .. .	33,337	10 3
Cash at head office and branches .. .. .	.. .. .	75,795	5 2
		<u>£865,045</u>	<u>17 3</u>

Profit and Loss Account for the half-year ending 30th December, 1876.

<i>Dr.</i>			
Current expenses .. .. .	.. .. .	£6,584	5 5
Depreciation and goodwill .. .. .	.. .. .	908	16 11
Rebate on bills not due .. .. .	.. .. .	927	6 8
Balance, net profit .. .. .	.. .. .	5,014	5 9
		<u>£13,434</u>	<u>14 9</u>
<i>Cr.</i>			
Gross profit after providing for bad and doubtful debts .. .. .	.. .. .	£13,434	14 9
		<u>£13,434</u>	<u>14 9</u>

* The deferred shares, bearing no dividend until after the ordinary shares have earned 7 per cent. per annum, were given in full payment of preliminary expenses up to date of allotment, in terms of the agreement set out in the 4th Article of Association.

THE NORTH AND SOUTH WALES BANK.

Report, by the directors to the proprietors, at their forty-first annual meeting, held at Liverpool, 23rd January, 1877. George Ray, Esq., in the chair.

The directors have pleasure in submitting to the proprietors the following report:—In accordance with the resolution passed at the last general meeting, 7,000 new shares of the bank have been issued *pro rata* to the shareholders, and all calls and premiums thereon have been fully paid. The 1,000 shares, forming the residue of the total authorised issue of new shares, have been sold in the open market, as opportunities offered, at the market prices of the day, and the total premiums, beyond £5 per share, realised upon these sales, have enabled the directors, as they anticipated, to write off in full the outstanding purchase money for the business of Messrs. Cassons and Co., and the old bank at Dolgelly. By the issue and sale of these 8,000 new shares, the paid-up capital of the bank now stands at £500,000, and the reserve fund at £250,000. Since the last meeting of shareholders, four branches of the bank have been opened in Liverpool, at points about a mile beyond the radius of the present branches, and arrangements have just been concluded with the directors and liquidators of the Bala Bank, Limited, subject to confirmation by the court, for a transfer of the business of that bank to this company on equitable terms. The past year has been extremely adverse to banking profits. Great inactivity, combined with low prices, have prevailed in many important branches of trade, and the value of money in Lombard Street, especially during the last eight months, has ruled at a lower point than it has ever touched before. Under these circumstances it is a satisfaction to the directors that they have been able thus far to continue to the shareholders the usual dividend and bonus of $17\frac{1}{2}$ per cent. The following is the statement of profit and loss for the twelve months ended 30th ultimo:—Gross profits for the year, including a balance of £9,093. 16s. 7d. from last account, after deducting interest due to depositors, rebate on bills not due, and making provision for losses, £141,233. 17s. 7d.; deduct total expenditure of the head office, thirty-five branches, and eleven sub-branches, including salaries, directors' fees, rent, taxes, and other expenses, £50,598. 9s. 8d., leaving £90,635. 7s. 11d. Less dividends paid to proprietors, viz.:—Half-year ended 30th June, 1876, dividend at 10 per cent. per annum, £22,345. 2s. 11d.; half-year ended 30th June, 1876, bonus at $7\frac{1}{2}$ per cent. per annum, £16,760. 11s. 10d.; half-year ended 30th December, 1876, dividend at 10 per cent. per annum, £24,197. 19s. 7d.; half year ended 30th December, 1876, bonus at $7\frac{1}{2}$ per cent. per annum, £18,148. 14s. 4d.; income tax on profits, £792. 14s. 7d., together £82,245. 3s. 3d., leaving to be carried to next account £8,390. 4s. 8d.

Balance Sheet, at 30th December, 1876.

LIABILITIES.

Deposits, credit balances, &c.	£4,774,950	17	0
Acceptances, and credits of bank current	142,883	8	3
Notes in circulation	57,030	0	0
Capital paid-up, £500,000; reserve fund, £250,000; undivided profits, £8,390. 4s. 8d.	758,390	4	8
	<u>£5,733,254</u>	<u>9</u>	<u>11</u>

ASSETS.

Bills discounted, overdrawn accounts, temporary advances on securities, &c.	£3,547,432	8	5
Bank buildings at Liverpool, and sixteen branches	93,417	16	11
Investments in consols and other securities, at cost, £511,204. 14s.; cash in hand, money at call, and at short notice, £1,581,199. 10s. 7d.	2,092,404	4	7
	<u>£5,733,254</u>	<u>9</u>	<u>11</u>

The branches of the bank have been visited, as usual, by deputations of the directors and the country manager, as well as by the bank's inspector, and the accounts, bills, and securities at each branch examined on the spot, and the result of their investigation has in all cases been satisfactory. The directors who go out by rotation are Mr. Hugh Bulkeley Price and Mr. Edward Thompson, both of whom are eligible for re-election and offer themselves accordingly.

The Chairman said—I rise, as usual, to move the adoption of the report just read. I hope you all shared in the satisfaction of the directors when you found that, notwithstanding the unexampled cheapness of money during the greater portion of the year, you were still to receive the same $17\frac{1}{2}$ per cent. of dividend and bonus which you have received during the past eight years. But I think your satisfaction will be very much enhanced if you reflect that it takes a very much larger sum now to pay a dividend of $17\frac{1}{2}$ per cent. than it formerly did. Only three years ago £52,000 was sufficient to pay $17\frac{1}{2}$ per cent., last year it took £82,000 to do so, and this year it will take £87,500 to pay a dividend and bonus of $17\frac{1}{2}$ per cent. on the increased capital. And I repeat that when you consider that we have been able thus far to keep up the $17\frac{1}{2}$ per cent. there can be no greater proof and assurance of the continuous and large increase in the business and prosperity of the bank. The deposits have increased again; the increase on the year is £300,000, and finding that we had no employment for them in the ordinary banking securities, except at miserably small rates, we have invested £250,000 of the amount in first-class railway preference shares, which alter very little in value, are saleable any day throughout the year, and have this advantage over consols, that they will bring us in four per cent. In our balance-sheet we have placed these and consols at cost. We thought it better to do this than have to alter the value from year to year, according to the market price. At the present moment, if we were to realise, we could make a considerable profit; but we prefer waiting till the profit is actually realised before taking credit for it. With regard to the purchase of the Bala Bank, if you will look at the map you will find that it lies in the centre of our district. We will take over there what we think can be made a valuable business, and we will get it on what we consider to be fair and equitable terms. There is another matter to which I should like to call your attention—viz., the increase in the number of the shareholders of the bank. We have 265 more shareholders to-day than we had this day twelve months. The present total is 1,382, and three years ago the total was only 739; so that we have nearly doubled the number of our shareholders in that time. I hope these 265 fresh shoots that we have just put down in the Principality will bear banking fruit abundantly to their own advantage, and that of their fellow shareholders.

Resolutions for the adoption of the report, for the re-election of the retiring directors, and for the remuneration of the directors for the ensuing year were passed.

After a vote of thanks had been accorded to the directors

The Chairman moved a vote of thanks to the managers and officers of the bank, all of whom had done their duty well—a proof of which was in the fact that, whereas £770,000,000 had passed through their hands in ten years, only one defaulter had been found, and that only for £93. The motion was carried unanimously.

Mr. R. Meredith Jones, the Liverpool manager, having appropriately acknowledged the same, the meeting terminated with a vote of thanks to the chairman.

NORTH WESTERN BANK, LIMITED.

REPORT of the directors submitted to the proprietors at the thirteenth ordinary general meeting of the company, held at Liverpool, the 22nd day of January, 1877.

The chief characteristic of the banking business during the past year, and especially in the last six months, has been the want of satisfactory and remunerative

employment for money; and the shareholders will, no doubt, have been prepared for a report of a somewhat less satisfactory character than the directors have had the pleasure to present for some years past. The accounts show that the net profits of the year, with the balance of £1,856. 6s. 11d. brought forward from the previous year, amount to £38,931. 11s. 6d.; from this deducting the dividend paid in July, £16,200, and income-tax, £501. 12s. 9d., there remains a balance now available of £20,229. 18s. 9d., which your directors propose to appropriate as follows, viz.:—Dividend for six months, at the rate of 8 per cent. per annum (free of income-tax) 6s. per share, £16,200; directors' remuneration, £2,000; profit and loss account, 1877, balance carried forward, £2,029. 18s. 9d., total, £20,229. 18s. 9d. Three directors, Mr. Darbyshire, Mr. Fletcher and Mr. G. W. Moss, now retire from office by rotation; all being eligible, offer themselves for re-election. Mr. Edmondson has tendered to the board his resignation of the office of manager, which has been accepted by the directors; and their consideration is being given to the appointment of a successor.

General Balance-sheet, 30th December, 1876.

Dr.

Capital called up on 54,000 shares, at £7. 10s. per share ..	£405,000	0	0
Reserve fund	110,000	0	0
Amount due to customers on current, deposit, and other accounts	829,931	4	4
Liabilities on bills in circulation, acceptances, credits, drafts, &c.	320,816	13	7
Rebate on bills	1,806	4	6
Profit and loss account—balance as below	20,229	18	9
	<u>£1,687,784</u>	<u>1</u>	<u>2</u>

Cr.

Cash on hand	£121,679	2	2
Bills discounted, loans to customers on securities, &c. ..	1,212,788	5	5
Bills in circulation, acceptances, credits, drafts, &c., per contra	320,816	13	7
Bank premises and furniture	32,500	0	0
	<u>£1,687,784</u>	<u>1</u>	<u>2</u>

PROFIT AND LOSS ACCOUNT.

Dr.

Interim dividend for six months at 8 per cent. per annum, paid in July	£16,200	0	0
Income-tax	501	12	9
Balance	20,229	18	9
	<u>£36,931</u>	<u>11</u>	<u>6</u>

Cr.

Balance brought forward—from profit and loss account, 1876	£1,856	6	11
Net profits for the year 1876, after making provision for bad and doubtful debts, and rebate on bills, at 2 per cent. per annum	35,075	4	7
	<u>£36,931</u>	<u>11</u>	<u>6</u>

THE NOTTINGHAM JOINT STOCK BANK, LIMITED.

REPORT of the Directors, to the twelfth ordinary general meeting of Shareholders, held the 23rd January, 1877; Mr. Arthur Wells in the chair:—

"The directors beg to present to the shareholders the annexed duly audited statement of accounts, to the 31st December, 1876. It will be seen that after deducting all expenses, and interest paid and due, and making provision for bad and doubtful debts, the net profits of the year, including the balance of £1,266. 12s. 1d. brought forward from the previous year's accounts, amount to £6,405. 13s. 4d. The interim dividend, at the rate of 5 per cent. per annum, for the half-year ending 30th June last, absorbed £2,500, and the directors recommend a dividend at the same rate, for the half-year ending 31st December, carrying forward the balance of £1,405. 13s. 4d. to the profit and loss account for the present year. The directors are glad to be able to say that the business of the bank continues to shew a steady increase, which, when the great depression of trade is borne in mind, is very satisfactory. The board are therefore able to make due provision for somewhat exceptional loss, by a reduction in the dividend of 2 per cent. only, and without in any way encroaching on the reserve fund. It is with regret the directors report that Mr. F. B. Wright has, from ill-health, necessitating continued absence from home, found himself unable to retain his seat at the board. The filling up of the vacancy thus occasioned is having the careful consideration of the directors. The directors who retire from office at this annual meeting are, Mr. John Watson and Mr. J. E. Ellis, who, being eligible, are recommended to the shareholders for re-election."

Balance Sheet, 31st December, 1876.

<i>Dr.</i>		
Capital, being £10 per share on 10,000 shares..	...	£100,000 0 0
Reserve fund	..	35,000 0 0
Amount due by the bank on current, deposit, and other accounts	..	572,240 16 4
Profit and loss account, being the net profits for the year ending 31st December, 1876, £6,405. 13s. 4d.; less interim dividend at the rate of 5 per cent. per annum for half-year ending 30th June, 1876, £2,500	..	3,905 13 4
		<u>£711,146 9 8</u>

Cr.

Bills of exchange, current accounts, cash on hand and with London agents, &c.	£658,237 13 10
Freehold premises, Victoria Street, Nottingham, also at Grant-ham and Eastwood, furniture, fittings, and fixtures, &c. ..	17,908 15 10
Investment of reserve fund, viz.:—	
£32,490. 2s. 5d. New 3 per Cents.	} 35,000 0 0
£5,000 Great Northern 4 per Cent. Debenture Stock	
	<u>£711,146 9 8</u>

Profit and Loss Account, 31st December, 1876.

<i>Dr.</i>	
Expenses at head office and branches, including directors' remuneration, salaries, income-tax, &c.	£6,421 4 10
Interim dividend at the rate of 5 per cent. per annum for half-year ending 30th June, 1876	2,500 0 0
Dividend at the rate of 5 per cent. per annum for half-year ending 31st December, 1876, £2,500; balance carried forward, £1,405. 13s. 4d.	3,905 13 4
	<u>£12,826 18 2</u>

Cr.

Balance 31st December, 1876	.. .. .	£1,266 12 1
Gross profits for the year ending 31st December, 1876, after deducting all interest paid and due, and making provision for bad and doubtful debts, &c.	.. .. .	11,560 6 1
		£12,826 18 2

It was resolved unanimously :—

1.—“That the report and statement of accounts be adopted, and that the dividend for the past half-year therein mentioned, be declared. 2.—That the seal of the bank be affixed to the register of transfers. 3.—That Mr. John Watson and Mr. John Edward Ellis, the two retiring directors, be re-elected. 4.—That Mr. Joseph Whitaker be re-elected auditor. 5.—That the best thanks of the meeting be given to the board of directors, the general manager, and other officers, for their zealous services in the interest of the bank during the past year, and to the chairman, for presiding on the present occasion.”

PARR'S BANKING COMPANY, LIMITED.

REPORT of the directors to the proprietors at the twelfth ordinary general meeting of the Company, at Warrington, the 26th day of January, 1877.

The directors, in submitting to the shareholders the annual balance-sheet, certified by the auditor, have to report that the position and prospects of the business continue to be in every way satisfactory. Including £7,508. 6s. 2d. brought from the previous account, the net balance of profits, after providing amply for all bad and doubtful debts, and rebating the current bills at five per cent., is £84,445. 12s. 10d. The distribution of this sum, recommended by the directors, is as follows :—Interim half-yearly dividend, at 15 per cent. per annum, declared 28th July, £29,362. 10s.; dividend to be now paid at the rate of 15 per cent. per annum, free of income-tax, £29,362. 10s., bonus of 10s. per share, free of income-tax, £9,787. 10s., £39,150; to increase the reserve fund to £180,000, £10,000; balance to next account, £5,933. 2s. 10d., together £84,445. 12s. 10d. Messrs. N. Eckersley, Alfred Hewlett, Thomas Whaley, John Pearson, and Benjamin Pierpoint, are the directors who retire at this time by rotation. They are eligible, and are recommended for re-election.

General Balance, 31st December, 1876.

<i>Dr.</i>		LIABILITIES.	
Capital, 20,000 shares of £100 each, £2,000,000. Amount paid up—£20 per share, on 19,575 shares..	.. .. .	£391,500	0 0
Reserve fund at 31st December, 1875, £170,000; to be now added £10,000....	.. .. .	180,000	0 0
Due by the bank on current accounts, deposit accounts, and deposit receipts, with interest accrued, £2,695,589. 6s. 11d.; drafts current (payable within 21 days), customers' acceptances advised, &c., £25,784. 14s. 4d. ..	.. .. .	2,721,374	1 3
Dividend to be now paid, £29,362. 10s.; bonus, £9,787. 10s.	.. .. .	39,150	0 0
Balance of profit and loss, carried forward ..	.. .. .	5,933	2 10
		£3,337,957	4 1

Cr.

ASSETS.

£84,813. 16s. 11d. Consols at 90, £76,332. 9s. 2d., £52,000 New 3 per Cent. Annuities at 90, £46,800; Colonial Government, and other stocks, £194,415. 5s. 2d. ..	.. .. .	£317,547	14 4
Cash on hand, money at call and at notice with Company's bankers, &c. ..	.. .. .	777,150	16 8
		£1,094,698	11 0

Bills of exchange, £537,085. 2s. 7d.; advances to customers, £1,679,075. 3s.	2,206,160	5	7
Bank premises at head office, Altrincham, Garston, Knutsford, Macclesfield, Northwich, St. Helens, Southport, Widnes, and Wigan	37,098	7	6
	<u>£3,337,957</u>	<u>4</u>	<u>1</u>

Profit and Loss Account for the year ending 31st December, 1876.

Dr.

Current expenses, including salaries, directors' and auditor's fees, rent, taxes, stationery, and all other charges	£28,244	18	10
Rebate of discount on bills at 5 per cent.	3,538	9	9
Interim dividend at 30th June, 1876, £29,362. 10s. dividend for past half-year to be now paid, at 15 per cent. per annum, £29,362. 10s.; bonus at 10s. per share, £9,787. 10s.	68,512	10	0
Reserve fund as above	10,000	0	0
Balance carried forward	5,933	2	10
	<u>£116,229</u>	<u>1</u>	<u>6</u>

Cr.

Balance at 31st December, 1875	£7,608	6	2
Gross profits for the twelve months, including rebate brought from previous year, and after providing amply for all bad and doubtful debts.	108,720	16	3
	<u>£116,229</u>	<u>1</u>	<u>6</u>

The Chairman said: I have pleasure in moving that the report, now read, be received and adopted. I must begin by congratulating you upon our improved circumstances since I last had the pleasure of addressing you. I especially allude to our improved premises. Most of our shareholders thought that some change should be made, knowing what the old place was, and what the present business is. When that conviction forced itself upon the minds of the directors, they determined that the alterations and additions should be worthy of the business to be carried on within these walls, that they should be worthy of the shareholders, of the public, and of the good old town of Warrington. How far the directors' resolve has been carried out, you yourselves must be judges to-day. I may also remark, while I am upon this subject, that we are indebted to local talent for what we see around us. Our plans were drawn up by a firm of local architects, our builders are Warrington men, and our furniture has also been supplied by a Warrington firm. Leaving that, I will now proceed to the report, which will no doubt interest you still more. The prospects of the bank are in every way perfectly satisfactory, for the progress which has been made, and which is still being made, is quite to our satisfaction, and I am sure it will be to yours. I may also say that this is the first year in which the bank has reaped the full benefit of the increased capital, which has only now come into its full working operation, and has, therefore, produced a larger amount of profit. It will not be news to you to say that the trade world is still very much depressed, and that that depression has lasted a very long time. But it is to be hoped that the end is not far distant. I was very much pleased to hear Sir Stafford Northcote say last night that he believed he saw the beginning of better things. The low bank rate which has lasted for some time, although it has acted rather injuriously on London banks, has not affected us in the same way; in fact, probably it has been rather the reverse. We have channels in our Northern Banking system for the lucrative employment of money, which London bankers have not. We see our way to employing it remuneratively, and I hope safely. I think that one great element in our progress is that the amount of bad debts and

losses is so trivial that it is not worth mentioning. I always think that the way to make money is to know how to keep it, and that, I hope, we have studied. There remained the distribution of the profits we have made during the year. To begin with, the directors recommend that the reserve fund should be increased by £10,000, bringing it up from £170,000 to £180,000. The dividend remains as formerly, 15 per cent. It has been laid down by successive chairmen that this amount should be as far as possible if not a fixed amount, an unreducible one—that, in fact, the shareholders should be able to count upon their dividends with the same certainty as if their money were invested in consols or any other first-class security. Over and above our dividend, we have a surplus to divide, as, no doubt, all of you have noticed by our programme. And we propose with that surplus to pay a bonus of 10s. per share, making 2½ per cent. on the whole of the paid-up capital. I wish to draw a very particular distinction between bonus and dividend. As I have said before, I hope the dividend if not immutable, may be unreducible, and that this bank may never have occasion to reduce its dividend after once having fixed it at a certain amount. I look upon the bonus more as rising from special circumstances, or, as being what the Chancellor of the Exchequer would call, an accidental surplus. I hope it will not be quite so precarious as that, but I do not wish it to be confounded with the dividend. It is possible that the same profits may not be realised every year, but if they are realised, the directors may recommend a different distribution to what we have proposed this year. As business men you must know that a building such as we have just put up is not erected for nothing, and although the shareholders were good enough to vote \$5,000 last year, that, of course, is perfectly inadequate to meet the cost. But the directors did not feel that they were called upon to ask you to lay aside any more this year. It is, however, quite possible that you may be asked in a future year for money for this purpose, and that might interfere with the distribution of another bonus. I only put that as one element, but there may be other reasons which would interfere with the payment of a bonus another year. I wish it not to be counted upon in the same light as the dividend. I think that I have now exhausted all the remarks and suggestions I feel called upon to make, and I will conclude by moving that the report now read be received and adopted.

The motion was passed unanimously and a dividend for the half-year ending 31st of December, 1876, at the rate of 15 per cent. per annum, and a bonus of 10s. per share, both free of income tax, was declared.

A vote of thanks was then accorded to the directors, the sum of £4,000 being fixed as their remuneration for the current year, and after the routine resolutions had been passed,

Mr. Edward Greenall said I propose "That a vote of thanks be given to the general manager, secretary, and other officers of the company for their services during the past year." Looking at the results before us, this cannot be looked upon as an empty compliment. I have had daily opportunities of seeing the attention given by the officers to the interests of the bank.

Alderman Hephherd: I have pleasure in seconding the resolution from the fact that the results show that the services of the officers are exceedingly valuable. Everything they have done they have done thoroughly and well. If I am not out of place I should like to say that I would endeavour to let them participate in some way in the prosperity of the institution they have so ably conducted. I know that in some cases it is proposed that their services should be rewarded at the rate of 5 or 10 per cent. upon their salaries. I merely throw out that hint, inasmuch as I think that what may be said by the shareholders at this meeting will not be lost sight of.

This resolution was carried unanimously.

Mr. Dun, the general manager, in reply, said: On my behalf, and on behalf of the other officers of the bank who have received this complimentary expression at your hands, I beg to thank you cordially, and to assure you that, as in the past so in the future, no effort shall be spared to promote in every possible way the interests of this bank.

The meeting terminated with a vote of thanks to the chairman for presiding.

SHEFFIELD BANKING COMPANY.

REPORT of the directors to the forty-fifth annual meeting of the shareholders, held the twenty-sixth January, 1877. Wm. Watson, Esq., in the chair.

Owing to the continuance of the state of circumstances in regard to trade, and value of money, mentioned in the report of last year, the profits of the bank for the year 1876 have been somewhat less than those of 1875; the net gain on the year having been £47,499. 18s. 3d., as against £50,841. 7s. 11d. The bad debts of the year amount to £1,906. 7s. 8d., more than two-thirds of which sum, or £1,304. 15s. 6d., are owing to the fraudulent alteration of a cheque, by the secretary of a building society. An action to recover a much larger amount was brought against the bank by the society, which was compromised almost at the last moment, under the advice of counsel. The directors have appropriated the above balance of profit and loss as follows, viz:—In payment of a dividend of 16 per cent. on the paid-up capital of the company, £43,974; in payment of income tax, £583. 12s. 8d.; for the bad debts of the year, £1,906. 7s. 8d.; in addition to the surplus fund, £1,035. 17s. 11d.—together £47,499. 18s. 3d.

The Sheffield Banking Company, 31st December, 1876.

Dr.

Paid-up capital of £140 per share, on 1,500 shares, £210,000;			
paid-up capital of £35 per share, on 2,376 shares, £83,160.	£293,160	0	0
Surplus fund	109,160	12	5
Balances of accounts due to customers, deposits, and notes in circulation	1,609,559	9	8
Balance of profit and loss account: Instalment dividend declared July, 1876, £14,658; to be divided, £29,316; total	43,974	0	0
	<u>£2,055,854</u>	<u>2</u>	<u>1</u>

Cr.

Bills, notes, and cash in hand, and balance owing the company	£2,030,783	15	2
Stamps on hand	438	18	6
Bank properties and furniture at Sheffield, Rotherham, Chesterfield, and Mexburgh	24,631	8	5
	<u>£2,055,854</u>	<u>2</u>	<u>1</u>

It was resolved:—1. That the annual report of the directors be adopted, and together with the general statement of the accounts of the bank, be printed and circulated amongst the shareholders. 2. That the thanks of the shareholders be given to the directors for their management of the business of the company during the past year; and that £1,000 be placed at their disposal. 3. That Mr. M. J. Ellison be re-elected a director. 4. That Mr. W. Watson, be re-elected a director. 5. That the thanks of the meeting be given to the chairman.

SHEFFIELD AND ROTHERHAM BANK.

REPORT of the directors to the forty-first ordinary general meeting of proprietors, held February 7th, 1877, Thomas Jessop, Esq., in the chair.

During the past year the value of money has ranged very low, with a continued depression in trade.

Notwithstanding these drawbacks the business of the bank has steadily increased, and after payment of all the expenses of management and income tax, and presenting a gratuity of ten per cent. on their salaries to all the officers of the bank, the profit and loss account shows a net gain of £30,348. 12s. 11d.

Out of this sum your directors have written off for losses £637. 3s. 4d., and they now declare a dividend out of profits for the year ending 31st December last, after the rate of 12½ per cent. per annum, together with a bonus of five per cent.

The proprietors, in August last, received on account, and in anticipation of this dividend, an instalment of 5 per cent.—the balance, together with the bonus, will be payable at the banks of the company on and after the 13th instant.

The remaining sum of £1,588. 5s. 7d. has been carried to the credit of the reserved fund, which, after payment of one thousand guineas voted to the directors at the last annual meeting, will amount to £87,409. 15s. 2d.

It is with deep regret that your directors have to announce the death of their late colleague, Mr. John Lockwood, which took place on the 12th September last.

Mr. Henry Fisher has been unanimously elected a director to fill up the vacancy caused by the death of Mr. Lockwood, and according to Article 82 in the deed of settlement, this appointment will require confirmation or otherwise by the present meeting.

Mr. Horace Walker and Mr. Henry Fisher are the retiring directors, and offer themselves for re-election.

General Balance-sheet, 31st December, 1876.

LIABILITIES.

<i>Dr.</i>									
Paid-up capital	..	..	..	..	..	..	..	£160,704	0 0
Reserved fund	..	..	..	..	..	..	..	87,409	15 2
Balances owing by the company, deposits, and notes in circulation	..	..	..	..	..	..	..	1,646,462	15 6
Dividend and bonus	..	..	..	..	..	..	..	28,123	4 0
								<u>£1,922,699</u>	<u>14 8</u>

ASSETS.

<i>Cr.</i>									
Balances owing to the company, bills, and cash in hand	..	..	..	..	..	..	..	£1,908,063	13 3
Bank premises and furniture	..	..	..	..	..	..	..	14,636	1 5
								<u>£1,922,699</u>	<u>14 8</u>

The following resolutions were proposed and carried unanimously:—

I.—That the report and general statement now read be adopted, and printed for the use of the shareholders.

II.—That the appointment of Mr. Henry Fisher as a Director (according to the 82nd clause of the deed of settlement) be, and is hereby confirmed.

III.—That Mr. Horace Walker and Mr. Henry Fisher, the retiring directors, be re-elected.

IV.—That Mr. Thomas Jessop and Mr. Ebenezer Hall be appointed auditors for the ensuing year.

V.—That the best thanks of the meeting be given to the directors for their valuable services during the past year, and that the sum of one thousand guineas be placed at their disposal out of the funds of the company.

VI.—That the thanks of the meeting be given to Mr. Wild and the other managers and officers of the bank, for the able manner in which they have discharged their duties.

That the thanks of the meeting be given to the chairman for his efficient services in the chair.

THE STAFFORDSHIRE JOINT STOCK BANK, LIMITED.

Report presented to the shareholders at the thirteenth annual meeting, held at Wolverhampton, the 30th day of January, 1877.

The directors, in submitting to the proprietors the balance-sheet of the bank for the year ending December 31st, 1876, have the pleasure to report that after payment of interest on current and deposit accounts and current expenses, and making provision for bad debts, the net profits have been £21,889. 4s. 6d., exclusive of £1,047. 9s. 11d. balance brought forward from last year, making a total of £22,436. 14s. 5d. The directors declared for the half-year ending 30th June, 1876, a dividend of 16s. per share, £6,562. 10s.; they propose to pay, for the half-year ending 31st December, 1876, a dividend of £1 per share, being at the rate of 10 per cent. per annum, £8,750; to carry to reserve fund (raising this fund to £70,000), £5,000; and balance to profit and loss account for the current year, £2,124. 4s. 5d.; together, £22,436. 14s. 5d. The directors are pleased to meet the proprietors for the first time in Wolverhampton. The removal of the head office hither gives many working advantages, and promises to aid the continued welfare of the bank. The directors who retire by rotation are Richard Bagnall, Esq., and William B. Harrison, Esq., who, being eligible, offer themselves for re-election. The auditors, John Roberts, Esq., and William Eagles, Esq., also retire, but are eligible for re-election, and offer themselves accordingly.

Balance-sheet, 31st December, 1876.

LIABILITIES.

<i>Dr.</i>									
Proprietors' capital	..	..	..	..	..	..	..	£175,000	0 0
Reserve	..	..	..	..	..	..	..	65,000	0 0
Due on current and deposit accounts, and drafts upon London agents, &c.	..	..	..	..	..	..	..	693,006	6 0
Profit and loss	..	..	..	..	..	..	..	22,436	14 5
								<u>£955,442</u>	<u>0 5</u>

ASSETS.

<i>Cr.</i>									
Cash in hand, at bankers, and at call	..	..	..	..	..	..	..	£98,909	19 3
Consols (£50,000), and debentures	..	..	..	..	..	..	..	63,312	0 0
Bills discounted, loans, &c.	..	..	..	..	..	..	..	772,468	6 8
Interim dividend account	..	..	..	..	..	..	..	6,562	10 0
Bank premises, and furniture	..	..	..	..	..	..	..	14,190	4 6
								<u>£955,442</u>	<u>0 5</u>

PROFIT AND LOSS ACCOUNT.

<i>Dr.</i>									
Interim dividend of 16s. per share to 30th June, 1876	..	..	..	..	..	..	..	£6,562	10 0
Proposed dividend of £1 per share, being at the rate of 10 per cent. per annum, for the half-year ending 31st December, 1876	..	..	..	..	..	..	..	8,750	0 0
Amount carried to reserve (raising this fund to £70,000)	..	..	..	..	..	..	..	5,000	0 0
Balance forward to next year's account	..	..	..	..	..	..	..	2,124	4 5
								<u>£22,436</u>	<u>14 5</u>
<i>Cr.</i>									
Balance from last year	..	..	..	..	..	..	..	£1,047	9 11
Net profits for the year 1876	..	..	..	..	..	..	..	21,389	4 6
								<u>£22,436</u>	<u>14 5</u>

STAMFORD, SPALDING AND BOSTON BANKING COMPANY.

REPORT of the directors, at the forty-fifth annual general meeting of the shareholders, held 6th February, 1877:—

"The net profits of the year 1876, after providing for all bad and doubtful debts, and presenting gratuities to the officers of the bank, are £38,861. 17s. 7d.; to this add the unappropriated profits of the year 1875, viz.: £3,899. 18s. 5d.; making £42,761. 16s.: and deducting from this the interim dividend of 5 per cent. upon the old shares, paid in August last, viz.: £10,000, a balance is left of £32,761. 16s.; which the directors propose to appropriate as under:—For a dividend of 12 per cent., making in all 17 per cent. for the year, viz.:—Upon the old shares, £24,000; upon the new shares for the last half-year, £4,250; leaving to be carried forward, £4,511. 16s. All the new shares having been taken up and paid for, the capital of the bank stands at £250,000, and the reserved surplus fund at £150,000. The whole of the capital is invested in Government and similarly available securities, and the reserved surplus fund, is specially and separately invested in 3 per cent. Consols. The directors congratulate the shareholders upon the results of the working of the bank during the past year. It has been a year of extraordinary depression both in agriculture and in trade, while the value of money in London has been low beyond precedent, the rate at call having been for a long time quoted at from one per cent. to nil. The depreciation in the value of land, and the effects of deficient harvests, have led the directors to exercise more than their usual caution in making advances to the customers; and the shareholders will be glad to learn that the losses of the year have been very small. The directors retiring upon this occasion are Mr. M. Staniland, Mr. G. M. Edmonds, Mr. Savill, and Mr. O. Edmonds, all of whom offer themselves for re-election."

Balance Sheet, 31st December, 1876.

LIABILITIES.

<i>Dr.</i>									
Capital paid up	..	..	..	..	..	..	..	£250,000	0 0
Reserved surplus fund	..	..	..	..	..	..	..	150,000	0 0
Deposits and balances due to customers..	..	..	..	..	..	..	..	1,409,865	4 11
Notes in circulation	..	..	..	..	..	..	..	44,175	0 0
Unappropriated profits of 1875	..	..	..	..	..	..	..	3,899	18 5
Net profits of 1876, £38,861. 17s. 7d.; less, interim dividend, £10,000	..	..	..	..	..	..	..	28,861	17 7
								<u>£1,886,802</u>	<u>0 11</u>

ASSETS.

<i>Cr.</i>									
Cash on hand and at London bankers	..	..	..	..	..	..	..	£205,434	3 10
Separate investment of reserved surplus fund in 3 per cent. Consols	..	..	..	..	..	..	..	150,000	0 0
Government securities	..	..	..	..	..	..	..	87,575	10 7
Securities guaranteed by the Government of India, debentures, and other investments	..	..	..	..	..	..	..	170,629	6 10
Advances to customers and bills discounted	..	..	..	..	..	..	..	1,234,895	3 11
Bank premises, furniture, and stamps on hand	..	..	..	..	..	..	..	38,267	15 9
								<u>£1,886,802</u>	<u>0 11</u>

The report and balance-sheet having been read, it was unanimously resolved that the report and balance-sheet be received and adopted, and that the dividend be payable on Monday, the 12th February. That the four retiring directors, viz., Mr. Staniland, Mr. G. M. Edmonds, Mr. Savill, and Mr. O. Edmonds, be re-elected. And that the thanks of the meeting be given to the directors and officers of the bank. On his leaving the chair, the thanks of the meeting were given to the chairman.

THE SWANSEA BANK, LIMITED.

Report for the half-year ending 30th December, 1876, submitted to the general meeting of proprietors, held 15th January, 1877:—

“The directors beg to submit to the shareholders their report for the half-year ending 30th December ulto. After payment of all expenses and making provision for bad and doubtful debts, there remains an available balance of £11,279. 14s. 7d., which the directors would recommend to apply as follows, viz.:—£7,546. 7s. 0d. to dividend at $7\frac{1}{2}$ per cent. per annum (free of income tax); £2,376. 7s. 0d. to reserve fund, thus raised to £35,000; £1,357. 2s. 7d. to profit and loss (new account); together £11,279. 14s. 7d., as above. The general state of trade is still far from prosperous, and involves the continued necessity of caution in the conduct of the bank; the directors trust, however, that the present depression may soon make way for that general improvement in business which has been long looked forward to. The directors will submit for the approval of the meeting the following resolution, viz.:—‘That in future the days for holding the ordinary half-yearly general meetings shall be the last Monday of January and July of each year respectively.’ In accordance with the provisions of the articles of association, the following directors, viz.:—Messrs. Edward Bath, J. Glasbrook, J. Powell, and F. A. Yeo, retire from the board, but are eligible and offer themselves for re-election.”

<i>Dr.</i> Balance Sheet, 30th December, 1876.			
Capital:—28,748 shares, £7 paid	.. .. .	£201,236	0 0
Amount due on current, deposit, and other accounts	.. .. .	164,502	11 8
Unclaimed dividends	.. .. .	51	6 8
Rebate on bills not due	.. .. .	731	8 8
Reserve fund	.. .. .	32,623	15 0
Balance of profit and loss account, as per statement	.. .. .	11,279	14 7
		<u>£410,424</u>	<u>16 7</u>
<i>Cr.</i>			
Bank premises, furniture, &c.	.. .. .	£7,018	7 10
Bills discounted, current accounts, and other securities	.. .. .	370,628	6 7
Cash in hand and at bankers	.. .. .	32,778	2 2
		<u>£410,424</u>	<u>16 7</u>

<i>Dr.</i> PROFIT AND LOSS ACCOUNT.			
Salaries, taxes, stationery, printing, &c.	.. .. .	£2,172	8 10
Interest paid or accrued on deposit, current and other accounts, and London agents' commission	.. .. .	2,186	15 6
Rebate on bills discounted, not yet due	.. .. .	731	8 8
Balance	.. .. .	11,279	14 7
		<u>£16,370</u>	<u>7 7</u>
<i>Cr.</i>			
Balance of last profit and loss account brought forward	.. .. .	£4,224	10 0
Gross profits for the half-year	.. .. .	12,145	17 7
		<u>£16,370</u>	<u>7 7</u>

<i>Dr.</i> RESERVE FUND.			
Balance carried forward	.. .. .	£32,623	15 0
		<u>£32,623</u>	<u>15 0</u>
<i>Cr.</i>			
Balance of last account	.. .. .	£32,564	0 0
Sundries	.. .. .	59	15 0
		<u>£32,623</u>	<u>15 0</u>

The report was adopted, and Henry Crawahay, Esq., of Oakland Park, Newnham, was elected to fill the vacancy at the board,

WILTS AND DORSET BANKING COMPANY.

Forty-first report of the directors to the annual meeting of the shareholders, held at the head office, Salisbury, 5th February, 1877, John Waters, Esq., chairman:—

"The directors have much satisfaction in submitting to the shareholders the forty-first annual report of the affairs of the company. The capital of the bank has been increased to £300,000 by the issue of 5,000 new shares, as authorised at the last general meeting; these have all been taken up by the proprietors, with the exception of 186 unallotted and forfeited shares, which, in accordance with the intimation made by the chairman of the general meeting, have been disposed of at the market price, and the profit, amounting to £2,517. 10s., has been added to the reserve fund. By reference to the accompanying balance-sheet and statement of profit and loss, it will be seen that after payment of current expenses, directors' fees, income tax, reduction of the cost of new premises, &c., &c., the balance to the credit of profit and loss amounts to £63,376. 3s. 10d., which has been appropriated as follows, viz.:—Midsummer dividend at the rate of 20 per cent. per annum, and Christmas dividend on the old and new shares (now consolidated) at the rate of 24 per cent. per annum, leaving a balance of £576. 3s. 10d. carried to the reserve or surplus fund. This fund has been increased during the year to £258,799. 16s. 11d., and (as will be seen in the balance-sheet) is invested in consols and now 3 per cents., thus forming a large and valuable asset of the company. The directors have further to report that a sub-branch of the company has been opened at Swindon, and an agency at Somerton, both of which they believe will prove remunerative additions to the business of the bank."

Balance-sheet for the year ending 30th December, 1876.

LIABILITIES.

<i>Dr.</i>									
Capital	..	..	..	..	..	..	..	£300,000	0 0
Surplus fund, invested as per contra	..	..	..	..	..	..	..	258,223	12 1
Circulation in notes and drafts	..	..	..	..	..	..	..	78,192	1 3
Deposits on current and other accounts	..	..	..	..	..	..	..	3,343,642	5 9
Interest due to depositors	..	..	..	..	..	..	..	38,499	5 10
Bills for collection	..	..	..	..	..	..	..	95,946	5 1
Net profits for the year	..	..	..	..	..	..	..	63,376	3 10
									£4,175,879 13 10

ASSETS.

<i>Cr.</i>									
Exchequer bills, Government securities, Bank of England stock, East India debentures, Metropolitan Board of Works' stock, Railway debentures, preference stocks and other securities	..	..	..	..	..	..	..	£1,465,777	1 5
Consols and new 3 per cents, forming investment of surplus fund	..	..	..	..	..	..	..	258,223	12 1
Cash in hand, and in hands of London bankers and agents	..	..	..	..	..	..	..	466,412	8 3
Bills discounted, loans, overdrawn accounts, &c.	..	..	..	..	..	..	..	1,928,063	13 1
Freehold and leasehold premises at head office and branches	..	..	..	..	..	..	..	57,402	19 0
									£4,175,879 13 10

PROFIT AND LOSS.

<i>Dr.</i>									
Expenditure of the head office and fifty-one branches and agencies, including rent, taxes, licenses, stamps, salaries, London bankers' commission, postage, stationery, &c.	..	..	..	..	..	..	..	34,167	7 8
Directors' fees	..	..	..	..	..	..	..	1,800	0 0

Wolverhampton and Staffordshire Banking Company. 251

Midsummer dividend on 25,000 shares at 20 per cent. per annum, £25,000; Christmas dividend on 30,000 shares at 24 per cent. per annum, £36,000	£61,000 0 0
Balance carried to surplus fund	576 3 10

£97,543 11 6

Cr.

Gross profit for the year ending 30th December, 1876, after payment of income tax, and making provision for bad and doubtful debts, &c.	£97,543 11 6
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£97,543 11 6

SURPLUS FUND.

Dr.

Balance of undivided profit of surplus fund	£258,799 15 11
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£258,799 15 11

Cr.

Balance of undivided profit last year, £155,706. 2s. 1d.; premium of £20 per share on 5,000 new shares, £100,000; profit on sale of unallotted and forfeited shares, £2,517. 10s. ..	258,223 12 1
Balance of profit and loss account now added	576 3 10

£258,799 15 11

The preceding report having been read to the meeting by the general manager, the following resolutions were passed unanimously:—"That the report now read, with the statement of assets and liabilities, be approved and printed, and a copy sent to each shareholder." "That the cordial thanks of this meeting be given to the directors for their efficient services during the past year." "That the retiring directors, Messrs. John Waters, Elias Pitts Squarey and Henry Parsons, be re-elected." "That the remuneration of the directors be £2,000, and that the same may be apportioned among them as they may determine." "That the thanks of the meeting be given to the general manager and other officers of the company for their efficient services during the past year." "That the thanks of the meeting be accorded to the chairman for his able conduct in the chair."

WOLVERHAMPTON AND STAFFORDSHIRE BANKING COMPANY.

Report presented at the forty-fifth annual general meeting, held at Wolverhampton, the 5th day of February, 1877:—

"Your directors have again the satisfaction of reporting to the shareholders the continued success of the bank. The assets and books of the bank have been audited and found to be correct. After providing for all ascertained bad debts, the profits of the year amount to £15,096. 13s. 6d., out of which a dividend and bonus of 10s. per share was paid to the shareholders in August last, and it is recommended that a dividend of 5s., with a bonus of 5s. per share, be paid on the 15th February next, and that the balance, £3,677. 9s. 4d., be added to the guarantee fund. The retiring directors are Richard Warnor and Sidney Cartwright, Esquires, both of whom are eligible for re-election.

The following special resolution will be moved by the Chairman of the company:—"That clause 73 of the special resolutions, containing the provisions for the government of the company, confirmed on the 5th day of March, 1860, be altered by the addition of the words, 'securities of or guaranteed by the Government of India, Railway Debenture Stocks in Great Britain,' after the words 'East India Stock' in the said clause."

Statement of Liabilities and Assets at the 30th December, 1876.

Dr.

Capital	£100,000	0	0
Amount due by bank	843,422	12	1
Notes in circulation	16,740	0	0
Dividend and bonus payable in February	5,000	0	0
Guarantee fund, £47,307. 5s.; interest on ditto at three per cent., £1,419. 4s. 2d.; profit added 30th December, 1876, £3,677. 9s. 4d.	52,403	18	6
	£1,017,566	10	7

Cr.

By cash, loans, bills, and Government securities	..	..	£973,053	11	8
Bank premises	..	..	16,589	4	11
Bank of England notes and coin in the house	..	..	27,923	14	0
			<u>£1,017,566</u>	<u>10</u>	<u>7</u>

Profit and Loss.

LIABILITIES.

Dr.

Dividend and bonus paid 1st August, 1876	..	..	..	£5,000	0	0
Ditto ditto 15th February, 1877	..	..	..	5,000	0	0
Interest on guarantee fund	..	..	..	1,419	4	2
Balance carried to ditto	..	..	..	3,677	9	4
				£15,096	13	6

ASSETS.

Cr.

Net profits for 1876	..	..	..	..	..	£15,096 13 6
						<u>£15,096 13 6</u>

YORKSHIRE BANKING COMPANY.

At the sixty-seventh half-yearly meeting of the shareholders of this company held at Leeds, on Wednesday, the 7th February, 1877, George Leeman, Esq., M.P., in the chair, the following report of the directors was unanimously adopted:—

“The directors, in again presenting their usual report, have to state that the profits for the half-year ending the 31st December last, amount to £38,332. 16s. 10d., which, having regard to the continued depression of all branches of trade, and the consequent low value of money prevailing during the half-year, the directors consider satisfactory, and recommend the following appropriation. viz. :—

Payment of dividend of 30s. per share, free of income-tax, which will absorb	£30,000	0	0
And to carry to the credit of the contingent fund the balance of		8,332	16 10
	£38,332	16	10

"The following statement of liabilities and assets has been certified by the auditor, Mr. Henry Webster Blackburn, public accountant:—

Dr.	LIABILITIES.			
Shareholders for capital stock		£250,000	0	0
Do. for unpaid dividends		187	15	0
Deposits and credit balances		2,385,766	9	9
Interest on deposit receipts and rebate of discount		21,293	5	8
Notes in circulation		113,860	0	0
Contingent fund		1,951	7	8
Reserved surplus fund		109,000	0	0
Profit and loss account		38,332	16	10
		<u>£2,920,381</u>	<u>14</u>	<u>11</u>

Cr.	ASSETS.			
Bills, securities, and cash on hand		£811,671	9	9
Amount invested in Consols		100,000	0	0
Advanced on current accounts, and in bankers' hands		1,945,546	16	1
Freehold property and furnishings		62,469	13	0
Stamps on hand		693	16	1
		<u>£2,920,381</u>	<u>14</u>	<u>11</u>

THE UNITED DISCOUNT CORPORATION, LIMITED.

REPORT of the directors, submitted to the shareholders at the extraordinary general meeting, held the 18th January, 1877 :—

"The directors beg to present to the shareholders the following statement of the affairs of the Company for the half-year ending December 31st, 1876. The statement of accounts shows a gross profit, including amount brought forward from last half-year, of £43,042. 6s. 5d., and after allowing for rebate of interest on bills not due, amounting to £13,280. 12s. 3d., and £5,380. 3s. current expenses, a balance of £24,381. 11s. 2d. remains. Of this amount the directors propose to distribute a dividend of 4s. 2d. per share, free of income tax, amounting to £10,416. 13s. 4d., being at the rate of 7 per cent. per annum, to add £5,000 to reserve fund (making that fund £10,000), and carry forward £8,964. 17s. 10d. to new account.

Dr.	Balance-sheet, 31st December, 1876.			
Capital account—50,000 shares, on which £6 per share have been called up		£300,000	0	0
Loans, deposits, &c.		4,423,703	10	9
Reserve fund		35,000	0	0
Profit and loss account—amount at credit, as per annexed statement		37,662	3	5
		<u>£4,796,365</u>	<u>14</u>	<u>2</u>

Cr.				
Cash at bankers		£44,265	6	5
Bills discounted, Government securities, &c.		4,760,740	17	8
Fittings and furniture account, 38, Lombard-street.. .. .		1,359	10	1
		<u>£4,796,365</u>	<u>14</u>	<u>2</u>

Profit and Loss Account for Six Months ending 31st December, 1876.

Dr.				
Current expenses, including salaries, rent, rates and taxes, directors' fees, and all other charges		£5,380	3	0
Rebate of interest on bills discounted not yet due carried forward to new account		13,280	12	3
Dividend on 50,000 shares		10,416	13	4

Reserve fund	£5,000 0 0
Balance carried forward to profit and loss new account, £8,964. 17s. 10d.	57,662 3 5
	£43,042 6 5
<i>Cr.</i>	
Balance brought forward from 30th June, 1876	£6,982 11 10
Gross profits for the half-year, after making allowance for bad and doubtful debts	36,059 14 7
	£43,042 6 5

THE PROGRESS OF BANKING IN GREAT BRITAIN IN 1876.

THE Wilts and Dorset Banking Company, besides the addition to their capital mentioned in the paper under this heading in our February number, added £100,000 to their reserve fund in the year 1876. We have pleasure in noting this fact, which is stated in the report of the Wilts and Dorset Bank, dated the 5th of February last, and in consequence did not come under our notice till the present time.

Notices of Books.

The Rationale of Market Fluctuations, by ARTHUR ELLIS. Second Edition. London: Effingham Wilson, 11, Royal Exchange, 1876.

WE are glad to see that a second edition of this book has already been called for. Though speculation is its subject, its object is by no means to encourage that rash speculation which is only another name for undisguised gambling. "This book," the preface states, "attempts to show broadly the considerations to which a man's eyes should be open when engaging in such operations, and it cannot therefore be accused of encouraging mere gambling." The volume fully bears out the promise of the preface: it contains a very clear, dispassionate, and able statement as to the influences bearing on all markets, and specially on the money market, based on a considerable amount of facts and experience collected by the author in connection with his position as a writer of City articles. Practical observations characterise the volume throughout, with a sound sense of the responsibility of such a post as the author occupies.

The first chapter deals with the subject of markets generally, the extreme variations in price which characterise them, and the class of mistakes which rash and inexperienced speculators are apt to make, when watching anxiously and ignorantly the fluctuations in the value of the securities they may happen to hold. In connection with these and the rapidity with which the money market is influenced by the events of the day, Mr. Ellis tells a very good story of the method of dealing practised by an astute speculator, which though introduced in connection with railway securities is capable of a far wider application. "Before a railway shareholder hears of a disastrous accident affecting his line the market has 'discounted' it, has estimated the diminished value of the shares, and has adjusted the price to the lower level, and perhaps rather below it. An impetuous holder would sell in a rising market in nine cases out of ten, and wish afterwards he had been more philosophical. A very good proof of the frequency of this sort of mistake was furnished by an astute specu-

lator who calculated every morning the chances for and against a rise in certain stocks; if the chances preponderated in favour of a rise, what did he do? He sold, and was generally able to buy back more cheaply, and *vice versa*. It was not that his calculations were wrong, but that the events which favoured a rise or a fall had already been appreciated to the full by 'the market,' and he was generally in time to go with the reaction and make a profit." (p. 7). A careful consideration of the remarks in this part of the volume as well of those further on in it, in the chapter on Stocks and other Public Securities, with respect to the manner in which markets are "made," and such ventures as the Honduras Loan, for instance, was floated, and the result to the Stock Exchange, as a body, of the fall in Ottoman and Egyptian securities, would be a desirable course of reading for those rash and hasty speculators who think that an "outsider" can deal in speculative securities with the same results as the initiated. The market price of many securities, it is shrewdly observed, is but an insufficient guide to the desirability or otherwise of an investment in them. "Instead of market price being a guide to value, therefore, there is sometimes so marked a distinction between it and investment price that no investor should deal in a stock affected by speculation and the attendant gambling. I feel strongly, and others of better experience have a like feeling, that the market for speculative securities is unfitted for investors to deal in. I point to this difference of purely 'market' influences and prices from influences bearing on investment values as the best reason of curbing the insanity of greediness which runs away with the reason of those who neither know nor try to know anything of the market they buy in." (p. 124.)

The chapter on Foreign Bills contains some very useful remarks on the subject of this class of securities, and of the exchanges between different countries. There is always a point which may be called the base-line of exchange between one country and another,—the point at which it begins to answer to import or remit gold from or to the country concerned. When the rate of exchange rises or falls below this level, specie will, under ordinary circumstances, invariably flow in or flow out. Other points also must be brought into consideration, as regulating the negotiability of such securities. There is the rate of interest current in each country, the credit of the place on which the bills are drawn, besides the credit of the firms whose names are on the bills, and other considerations. But, besides these, long dated "bills are liable to unlimited fluctuations consequent on variations in the currency of the country in which their value is expressed. The loss inflicted on holders of such bills when the currency in question becomes depreciated is sometimes severe, and the disgust with which merchants look upon a fluctuating currency has, no doubt, much influence in driving away trade from the country afflicted with paper money. Instances of enormous loss in taking bills on such a country are well known among money-dealers and foreign bill-brokers, and may be recited here as enforcing our remarks on the pernicious effects which may result from Governments' disregarding trade and markets in their legislation. One remitter to Italy bought long bills on cities in that kingdom; before the bills came due the currency in which the bills were expressed had become terribly depreciated by a new issue of paper money, and he would have incurred a great loss if he had exchanged back into English money. Instead of doing so, however, he invested in an internal public stock which was quoted in paper money, and awaited until Italian currency recovered and exceeded its former value. By this lucky speculation he was able to hold on and make a

profit on his original purchase of bills, but the loss to other dealers was, no doubt, immense." (p. 80.)

This quotation will show the practical nature of Mr. Ellis's work. It contains much sound sense and much that is instructive and useful, and in concluding this notice of it, we hope that bankers will read and carefully ponder the very sensible remarks on the desirability of exercising the utmost care in the selection of their channels for making advances. This, as every sound man of business knows, is the main point in the conduct of his affairs. Easy as it may seem in theory to resolve to have nothing to do except with first-class securities, yet in practice, this unfortunately is not always done. We need go no further back than to the Collie case for an example. Let all who are concerned in dealing with money, continually bear in mind the warning which they will find in this volume that the main point to be attained is "lending well." When the value of money is low, as it is at the present time, there is the more need for this warning to be borne in mind.

Scottish Banking, An Historical Sketch. By JAMES SIMPSON FLEMING, F.R.S.E. Cashier of the Royal Bank of Scotland. With Notes and an Appendix. William Blackwood and Sons, Edinburgh and London. 1877.

This short history of the rise and progress of banking in Scotland, was, as a few words of preface inform us, "prepared at the request of the Edinburgh Committee of the Institute of Bankers in Scotland, as an inaugural address" for the present session of that body, and we do not think they could have found a more suitable subject for that purpose, nor a more suitable person to deliver such an address, than Mr. Fleming. A lecturer on Scotch banking addressing a Scotch audience has one great advantage—he is engaged on a theme certain to command the respectful, and more than the respectful, the sympathising attention of his audience. He is able to say, as Mr. Fleming felt himself justly able to say, with respect to the banking system of his country, "that never has it been more deeply or securely rooted in the nation's confidence than now, and that at no time has it been more worthy of its confidence." In Scotland, as in England, the first efforts of banking were fostered by the power of issuing notes. Gradually the circulation of notes accustomed the public to the credit of the bank which issued them, and on a basis which seemed at first so slender and so perilous, that system of banking has been built up which has done so much for the present prosperity of Scotland. Mr. Fleming has given a slight, but careful sketch of the difficulties encountered by the early Scotch banks—difficulties to which the hindrances to rapid and easy communication between one part of his country and another greatly contributed. Accustomed as we are to think of every Scotch bank as the centre of a web of branches extending far and wide over the country it is at first sight unexpected to find that the early branches of the Bank of Scotland, though attempted to be established in 1698 in cities as important as Glasgow, Aberdeen, Dundee and Montrose, did not answer, and had to be withdrawn. A second endeavour to start branches again in the three first of these cities met with no better success in 1731; so slow was the early progress of Scotch banking. The gradual development was the work of time. We shall but do justice to Mr. Fleming's very interesting address by quoting the conclusion of it.

"It is impossible to close without allusion to what is now known as 'the invasion of England' by some of the Scottish banks. We must all regret any misunderstanding with our neighbours in the south; and it is to be hoped that now that they have had full opportunity of ventilating their grievances, matters may quietly settle down. I should think it improbable that any new raid will be made on their rich provincial pastures—and in London there is surely room for all. At all events, the right of entrance to the great centre of monetary affairs is one which Scottish bankers will, I have no doubt, resolutely defend; and for one, I have no fear as to the issue.

"Gentlemen, I have done. I am sure I have exhausted you—but not the materials for a history of Scottish banking. I do trust that as one of the fruits of the formation of the Institute of Bankers in Scotland, we may by-and-by have a history of the system with which you are associated, worthy of that system, and of your Institute.

"Only one word more to my younger friends. You are engaged in a business where dull, dry routine prevails. This is the misfortune of our calling. There is for the younger members too little stimulus to mental exertion; and if you are to rise out of the ordinary groove, it must be by aiming at higher objects than your daily office life presents, by availing yourselves in earnest of such opportunities as your Institute affords for your professional training, by the exhibition of strength of character, and by making it manifest by your success in your studies, and by energy and fidelity in the discharge of your present duties, that you are fitted for the more important positions in the profession to which you belong. Professor Jevons tells us 'that Scotch bankers are guiding the course of development of the banking system in England, India, the Australian Colonies, and everywhere;' and this is unquestionably true. He is pleased to add that this is being done with 'conspicuous success,' and it is not for us to say him nay. The superior offices at home are few in number, but there is an unlimited field abroad, where honourable position may be attained; and it is to this field that young men should look for promotion, unless they are content—and I should be sorry to think they would be content—with the very moderate remuneration which even long service secures at home. All of you cannot be heads; but it is most desirable that the higher offices should as far as possible be filled from your ranks, and no one wishes more sincerely than I do that the efforts of your Institute may tend in that direction. Show that you have capacity, and do not lean on influence, for it will prove a broken reed. You, my young friends, will best meet the requirements of your position by faithful work in your several spheres, by earnestness in your studies and exertions as members of this Institute,—where, I do say, your success is not unobserved,—and by exhibiting what, after all, is the most important—the essential requisite of every banker—good sound common sense." (pp. 39-41.)

We sincerely hope that the labours of the Institute of Bankers in Scotland, in endeavouring to raise the moral and intellectual standing of banking officials in that country may meet with complete success. There is no business the good conduct of which depends so completely as banking does on a high standard of character among those who carry it on, and we feel that we are doing a service to all our readers, and especially our younger readers, by laying before them Mr. Fleming's sound and practical remarks on this subject.

An Essay on New South Wales, the Mother Colony of the Australias, by G. H. REID, author of "Five Free Trade Essays," Hon. Member of the Cobden Club. Sydney: Thomas Richards, Government Printer, Phillip Street. London and New York: Trübner & Co., 1876.

The progress, resources, and condition of New South Wales must always present a subject of great interest to the English reader. Rather more than a century has elapsed since Captain Cook discovered the then almost uninhabited country, and in 1788, Captain Phillip founded the new colony—which commenced its existence with a population of about 1,000 souls. Few even of British colonies have made more rapid progress; through two great states, as we may almost call them, the colony of Victoria in 1851, and the colony of Queensland in 1859, have been cut out of the enormous original territory of New South Wales, what remains is still as large as the German Empire and Italy combined, or as France and the United Kingdom, with a population of more than 600,000 souls. Mr. Reid commences his volume with some remarks on the climate and soil of New South Wales. It is curious to learn that the influence of man over nature has already made itself felt in the interior of this vast continent. The population of New South Wales is so sparse that there is but one inhabitant to 354 acres. It may aid us in forming some idea of what this means by calling to mind that the population of Great Britain and Ireland in 1874, was one inhabitant to rather more than two acres. But sparse as the population of New South Wales is, it has yet, according to Mr. Reid, begun to modify the physical aspect of the country.

"The soil of the immense western and interior slopes available for agriculture is comprised chiefly of red and chocolate loam, well grassed but thinly timbered, generally with a species of the *eucalyptus*, known as box. The saltbush country succeeds, stretching to our western and north-western boundaries. It consists of red, loamy plains, of the same character as the slopes, but without timber; except in those parts which are liable to floods in the winter. The soil of the plains is loose, and in very dry weather the grass nearly disappears; but as the country becomes stocked the tread of the animals binds the surface; the grass acquires closeness and strength, and the saltbush gives way to the characteristics of the slopes. As a consequence, the rain that falls begins to form watercourses, waterholes become creeks, and the streams increase in volume." Page 5.

This is a very remarkable statement. It shows how even in the short time that has elapsed since New South Wales has become inhabited, the influence of man over nature has begun to show itself, and it opens out a bright future for improvement even to the brilliant present position of the country. Nothing perhaps is more striking in Mr. Reid's description than the manner in which this favoured settlement of the southern world unites both the advantages of civilisation, and of a free, open, and it might almost be said, primitive life. The administration of justice appears to proceed with the same regularity as in England. Internal communication has received great attention. "There are about 800 towns and villages on our 207,000,000 acres of territory; and each looks for a road and a postal service at least." There are now 3,500 miles of roads of various descriptions, with bridges, which, if placed in a line, would cover a length of 35 miles. There were besides 437 miles of railways open for traffic in December 1875. The construction of these lines has created a debt of more than £7,000,000, but there has been an increasing return of profit, amounting in 1875 to more than 4 per cent.

With so much attention given to the means of communication, it is not

wonderful to find that the revenue of the colony has likewise greatly increased. The growth of the revenue during the six years from 1870 to 1875, has been as follows :—

1870	...	...	...	...	£2,102,697.
1871	...	...	...	...	2,238,900.
1872	...	...	...	...	2,812,011.
1873	...	...	...	...	3,330,913.
1874	...	...	...	...	3,514,314.
1875	...	...	...	...	4,126,303.

The public debt of the colony is about £13,000,000, and of this, as previously mentioned, £7,000,000, the portion incurred in constructing the railways now made, returns more than 4 per cent. It is not wonderful, therefore, that with a public debt thus beneficially employed, and amounting to but little more than three years' revenue, the credit of the colony stands as high as it does. We have not space to follow Mr. Reid into all the details he gives of the rising wealth and prosperity of the country. The mineral resources of the colony, the wealth extracted from, and yet hidden in the gold fields, are the points to which attention is, perhaps, more prominently drawn. But besides gold, there are many other mineral products of vast importance. Coal, iron ores and limestone, in convenient contiguity, give a promise of immense industrial progress in the future. The yield of the Australian tin mines is already more than half that of all the other mines in the world, and copper is found in nearly every part of the colony. Besides these, and the classes of industry supporting them and supported by them, pastoral industry and agriculture are making considerable though not equal progress. A climate so varied and so propitious that it favours the cultivation of wheat, maize, the vine, the olive, the sugar cane, tea, coffee, tobacco, cotton, the fruits of the temperate zone and of the semi-tropical zone as well, is in itself a gift so precious that its value can hardly be overestimated. The land under cultivation makes a fair progress, though in this point as in others at which we have not had time to glance, the want of labour has been an impediment to the full development of the colony. The difficulty of obtaining sufficient labour, and especially agricultural labour, is the one drawback to the prosperity of the colony. And it should be borne in mind that such emigrants remain as much as before subjects of the British Crown, and are more likely to be loyal subjects if contented and successful in New South Wales, than if discontented because unsuccessful at home.

Enough has been said to show how rapid and how solid the growth of New South Wales has been. We must not, however, allow the brilliancy of the descriptions of the resources of the colony to draw our minds away from the stern realities of business, and as a fitting conclusion we will add some statistics of the banking progress of so prosperous a community. Should Mr. Reid's book proceed to a second edition we wish he would add to it some details as to the banking law of the colony, with particulars of the notes issued by the various banks and the principles on which the circulation is based. The growth of the bank deposits has been as follows :—

31st March, 1858...	...	...	£4,251,673
" 1867...	...	...	6,128,836
" 1876...	...	...	14,542,868

The proportion of these amounts to the population, is perhaps the best test of the wealth of New South Wales.

Second Supplement to M'Culloch's *Dictionary of Commerce and Commercial Navigation*. London: Longmans, Green & Co., 1877.

This Supplement is carefully prepared for the purpose of showing the progress of British Commercial Legislation down to the present time. It contains short and well-digested articles on many important subjects. Thus, under the heading of "Banking" an epitome is given of the Bankers' Books Evidence Act of 1876, while under the head of "Cheques" the same care has given the main clauses in the Crossed Cheques Act, also passed last year. Other subjects receive the like treatment. The heading "Cargo" is followed by an abstract of the Merchant Shipping Act of 1876, which is continued in considerable detail under the heading "Seaworthy"; and under "Importation and Exportation," the most important clauses in the Customs Consolidation Act of 1876 are given. The summary embodied in the Report of the Select Committee of the House of Commons of last session on the depreciation of silver is also inserted. This Supplement will be of great value to all who possess the well-known volumes of M'Culloch's Commercial Dictionary.

Communications.

To the Editor of the "Bankers' Magazine."

STAMPS ON DOCUMENTS.

SIR,—Will you have the kindness to say whether a receipt stamp is necessary—(1st.) To an order on a country banker, requesting him to advise an acceptance due in London when the acceptor, *having no account* with the country bank, pays the money down for that purpose. (2nd.) A fund is started for some charitable purpose, and an account opened at the bank; parties making donations request receipts in their own names, which state the object to which such donations are applied. (3rd.) What stamp is necessary on a cheque *or bill*, drawn abroad and payable in this country, *on demand*?

26th January, 1877.

I am, sir, your obedient servant,

J. J.

[1. A 1d. stamp should, we think, be affixed to such an order. 2. If the banker acts as treasurer, and gives receipts, they must be stamped where the amount paid is £2 or upwards. 3. A 1d. stamp is sufficient in this case.—ED. B. M.]

STOURBRIDGE AND KIDDERMINSTER BANKING COMPANY.

SIR,—For your information, I beg to say that the directors of this bank, at their meeting on Tuesday last, declared a dividend of 10s. and a bonus of 10s. per share, or after the rate of 20 per cent. per annum, free of income tax, out of the profits of the half-year ending December 30th last, payable on and after the 1st February.

I am, sir, your obedient servant,

T. D. THOMAS, General Manager.

Stourbridge, 25th January, 1877.

GUARANTEES.

REFERRING to the "Communications" in your January number, oblige by quoting a case supporting the view that Guarantees should be renewed every six years. Grant (Laws of Banking, 1865, p. 249) gives a case in which the opposite view was held, and other mercantile lawyers of repute also hold that the six years only begin to run from the time when the balance of the account is struck and demanded by the bank.

Respecting the retention for one day of bills sent for collection to the bank where they are payable, Grant (p. 57 and 415) clearly intimates that they are allowed until the post of the day following; the due date to give notice of dishonour, which law the merchant would support. It is, therefore well to add to the remittance letter, "Please advise fate," if it is essential to know without any delay how the transaction closes.

THOS. B. MOXON.

Manchester, 26th January, 1877.

[As to first query, see Grant's 1873 edition, p. 271. *Cholmeley v. Darley*, 14 M. & W. 344, but the case of *Hartland v. Jukes*, 1 H. & C. 667, supports your view, and has not been directly overruled.—ED. (Law Dept.) B. M.]

DEPOSIT OF DEEDS.

WOULD you please allow your Law Editor to answer the following:—Are deeds of property deposited with a banker, without any memorandum whatever, full and undoubted security for the amount overdrawn against them?

P. & D.

[If material portions of the title deeds to land are deposited with a banker by way of security, the mere absence of a written memorandum does not deprive the banker of his title by way of equitable mortgage on the estate; but in the absence of a memorandum the courts lean against the view of considering that the deposit was intended to secure antecedent debts. *Ex parte Martin*, 4 Deacon and C. 457. The taking of a written memorandum of deposit in all cases, however, is strongly advised.—ED. (Law Dept.) B. M.]

ENDORSEMENT OF CHEQUES.

WILL you oblige me with your opinion on the following case:—

On opening his banking account, William Henry Smith gives, in addition to his full name, business, and address, his usual signature, viz.:—"William H. Smith," which he will write in all letters and signing of cheques, acceptances, &c. If a cheque be sent to him per post, made payable to "W. H. Smith, Esq.," is he bound to indorse those identical words on cheque before being able to claim payment? or, should his own bankers collect it for him, is he still bound to do so, and to add his usual signature as given when he opened his account? It would seem absurd that any one, in writing his own name, should have to prefix or affix the title of "Mr." or "Esq."; but if the principle that nothing save the words written in the body of the cheque by the drawer will suffice, so that even W. H. Smith's own bankers would not attempt collection of the cheque without his first endorsing every word (whether misspelt or otherwise) just as it is written by the drawer, before endorsing his usual signature. If this principle, I say, were fully carried out, would it not require the title by which the person to whom the cheque was addressed to be affixed also in the endorsement?

T. B. H.

[The question of what is a sufficient endorsement by the payee of a cheque must be governed by a common sense view of each particular. A cheque payable to "W. H. Smith, Esq.," or order and endorsed "William H. Smith," is in our opinion sufficient to warrant the banker in paying such cheque. The well-established rule is, however, that the endorsement of the payee should be like that in the body of the cheque. See *Hare v. Copland*, 13 W. Com. Law Rep. 426. 16 & 17 Vict., cap. 59, sec. 19, provides that any cheque payable to order, which shall when presented purport to be endorsed by the payee, shall be a sufficient authority to pay, &c., and relieves the banker from liability, even though such endorsement turn out to be a forgery.—Ed. (Law Dept.) B. M.]

Should a customer of a bank require ready money and write out a cheque—"Pay myself or order"—and then fill in the amount and his name, is it necessary that he should endorse said cheque with his own name or (which is in more strict adherence to the principle) with the word "myself."

T. B. H.

[The custom of Bankers requires the endorsement on the back of the cheque by the drawer.—Ed. (Law Dept.) B. M.]

In reference to the letters and opinions on this subject at page 53 of your January number, and pages 132-3 of the February number, permit me to quote section 19 of the Act, 16 & 17 Vict., cap. 59:—

"Provided always, that any draft or order drawn upon a banker for a sum of money payable to order on demand which shall, when presented for payment, purport to be endorsed by the person to whom the same shall be drawn payable, shall be a sufficient authority to such banker to pay the amount of such draft or order to the bearer thereof; and it shall not be incumbent on such banker to prove that such endorsement, or any subsequent endorsement, was made by or under the direction or authority of the person to whom the said draft or order was or is made payable either by the drawer or any endorser thereof."

Now, I think that a cheque payable to "Smith & Sons," and endorsed "James Smith & Sons," could not be held to *purport* to be endorsed by the party to whom it was payable. Therefore, if the endorsement "James Smith & Sons" should prove to be a forgery, the banker paying on that endorsement would, I apprehend, be liable; whereas, on the endorsement "Smith & Sons," in case of forgery, he would not be liable.

Besides, it appears to me that a banker paying on the endorsement in question would render himself liable to the drawer for not carrying out his instructions. It would be hazardous to endeavour to interpret the drawer's instructions otherwise than literally. As pointed out in the letter from the head bank, quoted at page 132, February number, the payees and endorsers might be different firms. How many instances are there of firms differing as slightly in their styles as the case in point. By paying in such circumstances, the banker might be held to have taken the onus of proving that the payees and the endorsers were the same, a very undesirable responsibility.

The case adduced of a cheque payable to Mr. Smith, and endorsed "James Smith," is not analogous. I conceive that a banker would have

no choice, except to pay, on the endorsement of any Mr. Smith, the risk lying at the door of the drawer who gives such vague directions. In the case of the firm there is no vagueness apparent in the directions, a firm not necessarily including a christian name in its style. Your correspondent, "A Cashier of Twenty Years' Experience," says, "and after all bankers are not liable for endorsements;" a strange remark to come from a gentleman of his experience. In that view, cheques payable to order would afford very slight protection to those who issue them.

A BANK MANAGER.

[Your arguments and line of reasoning only confirm us in our opinion already expressed. See Grant's Law of Bankers, 3rd edition, pp. 12 and 27. Had the legislature intended that the endorsement should be, *verbatim et literatim*, like the name written in the body of the cheque, or that of the payee, the section would have so provided instead of using the words "purport to be endorsed." Bankers are, however, well advised in construing this enactment against themselves, although a court of law might, and we believe would, put a more favourable construction on the section. "A Cashier of Twenty Years" meant, we take it, that statutory relief was granted to bankers in cases within the Act.—Ed. (Law Dept.) B. M.]

Notes of the Month.

We are requested to state that Mr. William Hall, lately interim manager, has been appointed manager of the Metropolitan Bank.

The London manager of the Hong Kong and Shanghai Banking Corporation has received a telegram from the head office, Hong Kong, announcing that, at the half-yearly meeting held there, a dividend was declared of £1 per share, and 300,000 dollars added to the reserve fund, which now stands at 500,000 dollars. It is also notified that Mr. W. Keswick, of the firm of Jardine, Matheson, and Co., and Mr. E. Tobin, of Gilman and Co., have joined the board of directors.

There is a rumour that it is the intention of the Government to ask for power to issue Exchequer Bills payable at three, six, and nine months respectively, for the purpose of obtaining temporary advances from the public in lieu of the present system of borrowing of the Bank of England on deficiency bills. It is thought that the amount for which power will be taken will be considerable.

We are given to understand that Mr. John Crossley, M.P. for Halifax, has resigned the Chairmanship of John Crossley and Sons (Limited), and also of the Halifax Commercial Banking Company (Limited).

At a special general meeting of the shareholders of the National Bank of Paraguay (Limited), to consider the course to be taken by the bank with reference to the repeal by the Paraguayan Government of the concession to the bank, the Chairman having explained the proceedings of the Board from the foundation of the company up to the present, Mr. Hillyard moved a resolution approving the action of the directors throughout, thanking them for all their labours, and requesting them to continue their best endeavours to carry out the establishment of the bank in the interest of all concerned.

The directors of the West of England and South Wales District Bank propose a dividend for the past half-year at the rate of 8 per cent., making, with the dividend previously paid, 8 per cent. for the year. This leaves £954 to be added to reserve, which will then stand at £152,951.

The report of the West Riding Union Banking Company for the past year states the net profits at £42,120. An *interim* dividend of 10s. per share absorbed £10,000 of this last August, and it is now proposed to pay a further dividend of 20s. on the old shares, which will take £20,000. In addition, £3,349 is to be devoted to interest on the instalments of the new shares paid, and £8,070 added to reserve, the balance going to pay Income-tax.

It is intended by the Printers' Pension, Almshouse, and Orphan Asylum Corporation to celebrate in June next, the 400th anniversary of the introduction of printing into England by William Caxton.

The profit for the year of Pares's Leicestershire Banking Company, inclusive of £8,083 from 1875, was £55,600. A dividend of £1 per share on the old shares, and 8s. per share on the new shares, has been declared, which with the dividend of 6 per cent. paid in August, makes 14 per cent. for the year. The sum of £5,000 has been added to reserve (raising it to £150,000), and £6,600 carried forward.

The report of the directors of the London and Hanseatic Bank (Limited) states that the net profits for the past year were £23,031. Out of this a dividend of 3s. 6d. per share was paid last July, and it is now proposed to pay a further dividend of 5s. 6d. per share, making 6½ per cent. for the year: £6,956 is placed to reserve, raising it to £27,000, and a small balance carried forward. The balance-sheet shows the bank due on deposits, &c., £1,433,147, and it has lent on securities and otherwise, £1,275,629.

It is announced that the Bank of France receives for the present fine gold only at one-eighth per thousand discount (*perte*), instead of taking it at par, as it has hitherto done. The purpose of this regulation is evidently to prevent further accumulation of cash and bullion, which, as our readers will have observed during a month past, has increased about 76 millions of francs. Of course, the cashing of bank notes is not at all affected by this regulation.

Creditors of the Commercial Bank (Limited) are required by 10th March to forward their claims to Mr. J. McDaid, of Bermondsey, the liquidator.

Creditors of the Liverpool Borough Bank are required by 31st March, to forward their claims to the liquidators, at the office of Messrs. Harwood, Banner, and Son, of Liverpool.

The Anglo-Californian Bank has declared an interim dividend of ten shillings per share for the half-year ended 31st December last, being at the rate of 10 per cent. per annum.

The directors of the Merchant Banking Company of London have resolved to declare a dividend at the rate of 12 per cent. per annum for the half-year ending the 31st of December last, being at the same rate as that paid in previous years, and to carry forward £9,117 to the next account.

MONTHLY CHRONOLOGY.

Feb. 1.—The payment of interest due to the holders of the Turkish Guaranteed Loans of 1864 and 1871, the money for which lies at the Bank of England, and which, according to arrangement between the Porte and Messrs. Stewart and MacEwen, was to be made at once, is deferred till sanctioned by a vote of the Ottoman Parliament.

2.—The National Bank of Australasia announces that it is authorized by the acting Agent-General for the government of South Australia to receive tenders for £500,000 4 per cent. bonds, the issue of which was authorized on the 27th of October, 1876, for the construction of railways and other purposes.

5.—It is telegraphed from Constantinople that Midhat Pasha has fallen, that Edhem Pasha has been made Grand Vizier, and that Midhat Pasha has embarked for an island in the Archipelago.

7.—For the first time during the past five months the India Council have altered the amount of bills to be allotted, and tenders for £175,000 only were received to-day.

8.—The Session of the Parliament of the 40th year of the Queen was opened by Her Majesty in person.

13.—The United States House of Representatives have passed a bill, which had already passed the Senate, authorizing the laying a telegraph cable between the United States and Europe, provided the tolls shall not exceed 1s. per word.

13.—The United States Treasury has called in \$10,000,000 five-twenties for redemption, interest ceasing from the 12th of May.

13.—The tenders for the South Australian Government 4 per cent. loan of £500,000 were open to-day at the National Bank of Australasia. The average price for the £500,000 which is allotted is £97. 10s. per £100.

16.—Tenders are invited by the Crown Agents for the Colonies for £1,000,000 in 4½ per cent. Debentures of the Government of the Cape of Good Hope, authorized by an Act of 1874. The purpose is for the construction and equipment of railways.

16.—The Khedive of Egypt has named Colonel Gordon Governor-General of the Soudan, in addition to the Equatorial Provinces, with the fullest powers.

21.—The Bank of New Zealand, as agents of the municipality of Wellington, invite tenders for £200,000 6 per cent. Debentures to bearer of £100 each to provide for the redemption of municipal loans contracted at former periods.

OBITUARY.

COULTHURST.—We regret to announce the death of Mr. William Coulthurst, the senior partner in the banking house of Messrs. Coutts and Co., Strand. He died on Saturday morning, 10th February, after a few days sudden and severe illness from bronchitis. Mr. Coulthurst was in his 85th year.

MILLER.—On the 20th February, at his residence, 2, Northumberland Row, Tottenham, James Miller, Esq., of the Bank of England, in the 60th year of his age.

Monetary Review.

AN improvement of one-eighth per cent. in the rate for three months' bills took place at the beginning of the month, money on short loans at the same time coming into better demand; the continued diminution in the Bank's store of gold began to tell distinctly upon the market in promoting a disposition amongst bankers and other money lenders to look for better terms for their commodities; it seemed probable, indeed, that the Bank of England would, ere long, be under the necessity of raising its rate, should gold continue to be withdrawn to the same extent as it had been during the month of January; nearly three millions having been taken away in that time. What effect upon the money market such a course would have produced it is rather curious to surmise, though it may fairly be concluded that, with the moderate demand for discount existing, the outside market would move but slowly in following the leader, and so the Bank's efforts to protect the bullion reserve would be of little immediate avail. The prospect of a reflux of gold from the provinces had to be kept in view, however, as an important element

in the consideration of the course of the money market, and the result proved that, under the slackened demand for abroad which ensued, the home returns were more than sufficient, for the time being, to counteract the outgoings. The Bank, by withholding its hands from raising its minimum, whilst the rates outside continued further to rise, at length came in for a larger share of business than it had attracted during the preceding long continued period of cheap money.

The large increase in the excess of our imports over our exports in the past year has been the subject of remark, not unaccompanied with anxiety in some quarters; the excess of imports over exports in 1876, amounted to £117,427,000, whereas in 1872, the corresponding amount was £39,479,000. Many causes are combined in bringing this about, and upon due consideration of them it does not appear that there is much reason to be alarmed at this result. At all events our creditors need not be frightened about getting paid for the commodities they supply us with, for, without doubt, there is plenty of ready money in the country to pay for what things we import. In first starting with these figures, there is this to be taken account of, that our exports are valued at the home rate which does not by any means give the full value ultimately realised for them in the foreign markets of the world, where they are sold to cover cost of production, plus the cost of carriage, insurance and other charges which go to swell the sum returnable to this country. On the other hand the imports are valued at the price they are calculated to realise at this market. In further considering this material increase of the excess of imports since the year 1872, it seems probable that much is due to the increased amount of foreign indebtedness to us for money borrowed—that we are in fact receiving interest for the capital which went abroad in 1872, and, if we get this out in good, useful kinds of materials, it does not need to be considered a cause of weakness or a matter for regret. It is true that some countries, who but recently appeared to be good customers for our wares, have of late fallen off very considerably in that respect, such as Turkey, Egypt and some other states, but then it must be remembered that the previous more active demand from these quarters was stimulated by English money which they had borrowed. At all events it is satisfactory to think that the trade now being done is of a steady and profitable nature, and unaccompanied with the risks which attend upon periods of overtrading and inflation.

Money has made a decided move upwards in value this month, it is scarcer in the market, though the demand for discount does not appear to have much increased.

The stock markets have been in a very sensitive condition throughout the month, the Eastern question still rules the character of the markets, and as the phases of that important question vary, whether it is reported that pacific intentions prevail, or, that preparations for

war are being pushed forward, the prices of securities vary, more or less, accordingly. Early in the month the political aspect was considered favourable, and prices accordingly ruled firmer; the chief movement, however, was in the foreign market, where prices are naturally more sensitive under the state of political tension which exists. As prices had gone low in this department, under the operations of speculators for the fall, there is every disposition to take immediate advantage of any circumstances tending to promote hopes of an amicable settlement of the Eastern question being arrived at.

The announcement of the sudden fall of Midhat Pasha, the Sultan's Grand Vizier, caused a momentary alarm in the Stock Exchange; no great importance however was attached to this event; but, whilst the movements of Russia continued to attract close attention, the absence of any disposition on the part of the other powers to support Russian aggression tended, meantime, to promote steadiness; this feeling, however, gave way under the intelligence published of the active war preparations being made by that power, and speculative selling was resumed in the foreign market.

Consols have been very little affected in price, on balance they are about the same this month as last, though some slight fluctuations in price have taken place. Colonial government securities have continued firm, notwithstanding there have been two or three fresh issues of these securities during the month, the amounts being but of small dimensions. English railway shares have been subject to some fluctuations, in view of adverse political rumours they have declined at times, whilst on the other hand they have moved in sympathy when the other markets have tended upwards. The most material feature with regard to railways is that generally their last dividends are as good as at the previous corresponding period, whilst the present traffic receipts are improving. Upon the whole an advance on the month in this market may be recorded. In Joint Stock Bank shares there has been little movement, steadiness is the prevailing feature in this market, the reports of these institutions for the past half-year being considered satisfactory, considering the adverse conditions under which they have realized their profits. London and County Bank shares have advanced.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to **the Proprietors, Waterlow & Sons Limited, 25, Great Winchester Street, London,** who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1876.	£	£	%	£	£	£
May 3	28,219,790	25,487,495	90	14,545,365	17,813,219	5,903,334
10	27,963,835	25,500,255	91	14,545,365	17,974,474	7,660,311
17	27,902,939	25,771,835	92	14,545,365	17,223,912	7,174,782
24	27,382,790	26,240,480	96	14,545,365	16,960,746	7,638,307
31	27,784,470	26,531,105	95	14,575,861	17,077,554	7,755,817
June 7	27,780,010	26,790,095	96	14,575,818	17,484,551	8,971,467
14	27,201,615	27,509,195	101	14,594,223	17,004,986	8,558,129
21	27,006,170	28,466,060	105	14,611,341	16,901,002	8,532,991
28	27,661,255	29,063,595	105	14,611,952	17,122,865	9,069,793
July 5	28,408,850	29,371,085	103	15,399,705	17,400,313	8,766,333
12	28,272,045	30,042,680	106	15,399,705	17,493,334	4,810,839
19	28,359,275	31,385,850	110	15,335,777	17,217,416	4,732,174
26	28,314,640	31,136,850	110	15,405,977	17,011,493	4,982,160
Aug. 2	28,931,980	32,725,370	113	15,702,325	16,896,302	5,303,493
9	28,925,855	32,912,070	114	15,617,896	16,181,455	5,440,031
16	28,587,670	33,884,915	118	15,459,133	15,967,890	5,490,302
23	28,221,815	33,217,215	117	15,259,133	15,945,490	5,305,436
30	28,087,975	33,040,795	118	15,259,133	15,854,353	5,768,584
Sept. 6	28,179,985	33,509,770	119	15,260,463	16,401,132	5,974,133
13	27,876,800	34,176,790	122	15,222,963	16,023,575	6,289,384
20	27,773,440	34,205,975	123	15,229,155	16,015,085	6,591,284
27	27,973,390	34,049,270	122	15,300,264	16,010,461	7,043,838
Oct. 4	29,249,745	34,127,760	117	15,712,817	15,906,720	6,383,517
11	29,095,750	33,514,385	115	18,202,925	16,018,766	6,181,234
18	28,961,050	32,712,350	113	17,802,925	16,107,468	5,422,087
25	28,541,080	32,775,515	114	17,202,925	16,162,097	5,543,444
Nov. 1	28,782,855	32,190,735	112	17,008,228	16,639,955	5,781,462
8	28,504,940	31,019,690	109	16,308,228	16,538,345	5,666,471
15	28,037,050	30,248,020	108	15,739,297	16,502,061	5,566,667
22	27,802,905	29,643,670	107	15,739,297	16,542,567	6,037,391
29	27,554,155	28,623,170	104	15,739,297	16,752,031	6,538,842
Dec. 6	27,612,925	28,544,460	103	15,832,797	17,102,566	6,398,081
13	27,196,160	28,199,140	104	15,833,004	17,017,236	7,231,822
20	27,460,980	28,082,925	102	15,934,208	17,083,627	7,785,933
27	27,898,255	27,810,945	100	15,958,653	17,518,852	8,173,488
1877.						
Jan. 3	28,622,775	27,533,430	96	15,969,162	19,582,320	6,203,440
10	28,302,820	27,351,155	96	18,766,486	17,516,675	4,373,157
17	28,037,420	26,484,920	94	18,267,876	17,678,106	3,955,536
24	27,638,950	26,319,380	95	17,317,876	17,762,841	4,101,623
31	27,592,885	26,650,241	97	16,367,876	17,732,917	4,837,155
Feb. 7	27,814,430	25,624,520	92	16,001,441	17,787,156	5,613,338
14	27,541,435	25,590,545	93	16,001,441	17,818,123	6,632,609

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount.
1876.	£	£	£	£	%	
May 3	21,609,725	332,586	27,845,645	13,157,741	47	2
10	20,232,424	318,526	28,211,261	13,364,018	47	—
17	20,271,749	310,547	27,767,078	13,662,419	49	—
24	20,614,682	287,963	28,540,952	14,712,432	51	—
31	20,809,304	265,116	28,830,237	14,816,202	51	—
June 7	20,048,680	276,968	29,297,135	14,867,171	51	—
14	21,396,232	305,910	30,260,271	16,292,405	54	—
21	22,524,303	294,540	31,351,834	17,474,443	55	—
28	22,072,398	252,743	31,394,934	17,298,157	55	—
July 5	22,708,423	303,333	31,778,089	16,781,842	53	—
12	27,635,123	299,647	32,745,609	17,704,436	54	—
19	28,559,404	311,024	33,602,602	18,934,701	56	—
26	28,960,784	309,364	34,252,308	19,723,286	58	—
Aug. 2	28,688,877	321,219	34,313,589	19,621,201	57	—
9	27,992,667	325,224	33,757,822	19,876,523	59	—
16	28,644,306	362,741	34,497,349	21,018,406	61	—
23	28,252,255	389,520	33,947,211	20,672,917	60	—
30	27,686,451	364,589	33,819,624	20,621,351	61	—
Sept. 6	28,003,701	440,828	34,418,662	20,987,257	61	—
13	28,271,987	419,640	34,981,011	21,967,897	63	—
20	28,284,981	370,618	35,246,883	22,244,069	63	—
27	27,517,747	357,924	34,919,509	21,851,251	63	—
Oct. 4	27,196,160	373,151	33,952,828	20,566,672	60	—
11	30,003,658	416,160	63,601,052	19,999,772	55	—
18	29,857,947	401,432	35,681,466	19,396,451	45	—
25	29,488,402	358,306	35,390,152	19,653,789	55	—
Nov. 1	29,103,020	366,409	35,250,891	19,218,686	54	—
8	27,393,442	369,778	33,429,691	18,200,927	54	—
15	26,542,056	380,328	21,489,051	17,870,258	55	—
22	25,914,347	360,080	32,311,818	17,653,891	54	—
29	24,916,197	348,338	31,803,377	16,902,034	53	—
Dec. 6	25,427,699	311,946	32,137,726	16,787,290	52	—
13	24,506,596	334,620	32,072,038	16,809,930	52	—
20	23,634,924	321,397	31,742,254	16,815,553	52	—
27	22,875,676	299,153	31,348,317	15,467,179	49	—
1877.						
Jan. 3	25,936,786	328,619	32,468,845	14,591,390	45	—
10	28,385,591	381,955	33,140,703	14,694,912	44	—
17	28,086,715	349,136	32,391,387	14,317,794	44	—
24	27,385,718	331,834	31,799,175	14,591,076	46	—
31	25,146,245	315,669	30,299,079	14,057,356	46	—
Feb. 7	23,520,174	329,031	29,462,543	13,562,473	46	—
14	22,890,468	297,860	29,820,937	13,896,824	47	—

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877

PUBLIC INCOME AND EXPENDITURE.

THE following are the receipts into and payment out of the Exchequer between April 1, 1876, and February 17, 1877 :—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1876-77.	Total Receipts into the Exche- quer from April 1, 1876, to Feb. 17, 1877.	Total Receipts into the Exche- quer from April 1, 1875, to Feb. 19, 1876.
Balance, April 1, 1876.	£	£	£
Bank of England	—	3,826,896	4,662,261
Bank of Ireland	—	1,292,691	1,603,061
		5,119,587	6,265,322
REVENUE.			
Customs	20,250,000	17,711,000	17,770,000
Excise	27,624,000	23,971,000	23,832,000
Stamps	11,000,000	9,517,000	9,660,000
Land Tax & House Duty	2,500,000	1,882,000	1,967,000
Property and Income Tax	5,268,000	3,740,000	3,189,000
Post Office	5,950,000	5,478,000	5,431,000
Telegraph Service	1,325,000	1,150,000	1,100,000
Crown Lands	395,000	362,000	352,000
Miscellaneous	4,100,000	3,861,680	3,740,848
Revenue	78,412,000	67,672,680	67,041,848
Total, including balance		72,792,267	73,307,170
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)		700,000	—
Advances under various Acts, repaid to Exchequer		1,437,410	1,667,888
Money raised for Fortifications & Military Barracks		500,000	250,000
Money raised for Local Loans by Exchequer Bonds		1,000,000	1,500,000
Temporary Advances, not repaid		—	—
Totals	£	76,429,677	76,725,058

EXPENDITURE AND OTHER PAYMENTS.

	Estimate for the Financial Year 1876-77.	Total Issues out of Exchequer to meet Payments from April 1, 1876 to Feb. 17, 1877.	Total Issues out of Exchequer to meet Payments from April 1, 1875 to Feb. 19, 1876.
EXPENDITURE.	£	£	£
Permanent charge of Debt	*27,700,000	25,698,628	25,539,288
Interest on Local & Temporary Loans	*160,000	86,625	21,875
Interest &c., on Excheqr. Bnds. (Suez)	*150,000	75,000	—
Other charges on Consolidated Fund	*1,590,000	1,503,420	1,470,840
Supply Services	†48,657,000	40,386,539	39,994,066
Estimate	78,157,000		
Expenditure		67,750,212	67,026,059
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		3,882,738	3,928,923
Expenses of Fortifications and Military Barracks		500,000	250,000
Exchequer Bills paid off		88,600	20,500
Surplus income applied to reduce debt		—	331,867
		72,221,550	71,557,349
Balances on February 17, 1877 :—			
Bank of England		3,467,251	4,073,239
Bank of Ireland		740,876	1,094,470
Totals	£	76,429,677	76,725,058

* As stated in the Budget.

† As granted by the Appropriation Act.

BANK OF FRANCE.

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DEBTOR.

	Jan. 25.	Feb. 1.	Feb. 8.	Feb. 15.
	Fr. c.	Fr. c.	Fr. c.	Fr. c.
Capital of the Bank ...	182,500,000 0	182,500,000 0	182,500,000 0	182,500,000 0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313 54	8,002,313 54	8,002,313 54	8,002,313 54
Reserve of the Bank and its branches ...	22,105,750 14	22,105,750 14	22,105,750 14	22,105,750 14
Reserve of landed property ...	4,000,000 0	4,000,000 0	4,000,000 0	4,000,000 0
Special Reserve ...	17,694,209 97	17,694,209 97	17,694,209 97	17,694,209 97
Notes in circulation ...	2,661,968,600 0	2,663,623,675 0	2,641,906,745 0	2,646,781,930 0
Bank-notes to order and receipts payable at sight ...	28,613,727 42	27,499,361 48	26,980,706 91	28,187,810 54
Treasury account current, creditor ...	104,644,253 98	102,920,245 24	104,141,213 51	102,417,915 12
Current accounts, Paris ...	346,097,306 0	332,513,461 40	368,189,152 13	380,916,195 26
Do., branch banks ...	33,542,229 0	36,091,236 0	37,178,777 0	35,019,828 0
Dividends payable ...	3,668,830 0	3,268,600 0	2,911,715 0	2,691,260 0
Interest on securities transferred or deposited ...	5,067,150 13	4,443,073 40	4,601,208 41	3,975,313 86
Discounts and sundry interests ...	1,922,286 49	2,290,545 61	2,563,890 45	3,006,803 6
Re-discounted the last six months ...	1,662,127 11	1,662,127 11	1,662,127 11	1,662,127 11
Bills not disposable ...	2,864,337 53	21,067,104 8	2,968,711 74	3,778,634 13
Reserve for eventual losses on prolonged bills ...	9,960,000 0	6,960,000 0	6,960,000 0	6,960,000 0
Sundries ...	11,939,222 84	11,473,617 43	12,467,033 58	11,568,331 15
Total ...	3,442,323,433 85	3,438,285,220 40	3,446,832,549 49	3,441,284,409 90

CREDITOR.

	Jan. 25.	Feb. 1.	Feb. 8.	Feb. 15.
	Fr. c.	Fr. c.	Fr. c.	Fr. c.
Cash in hand and in branch banks ...	2,191,575,193 23	2,202,424,301 10	2,228,728,938 76	2,229,876,924 74
Commercial bills overdue ...	120,146 18	5,493,884 28	182,323 73	137,944 40
Commercial bills discounted, not yet due ...	253,297,858 16	236,691,467 26	233,239,301 14	240,972,339 86
Treasury bonds ...	338,845,000 0	338,845,000 0	338,845,000 0	338,845,000 0
Commercial bills, branch banks ...	257,818,549 0	265,552,728 0	242,667,290 0	230,811,547 0
Advances on deposits of bullion ...	21,912,200 0	22,125,500 0	20,985,700 0	19,355,800 0
Do. in branch banks ...	1,326,400 0	1,428,300 0	1,423,200 0	1,342,200 0
Do. in French public securities ...	27,857,390 0	27,610,100 0	27,649,600 0	27,517,800 0
Do. by branch banks ...	22,264,660 0	21,348,060 0	20,738,060 0	20,553,860 0
Do. on railway shares and debentures ...	16,214,200 0	16,380,200 0	16,255,800 0	16,126,100 0
Do. by branch banks ...	18,023,900 0	13,469,600 0	14,285,900 0	13,194,660 0
Do. on Crédit Foncier bonds ...	1,286,900 0	1,267,400 0	1,253,900 0	1,250,600 0
Do. branches ...	834,300 0	761,900 0	757,600 0	731,900 0
Do. to the State (Convention June 10, 1857) ...	60,000,000 0	60,000,000 0	60,000,000 0	60,000,000 0
Government stock reserve ...	12,980,750 14	12,980,750 14	12,980,750 14	12,980,750 14
Do. disposable ...	76,313,613 82	76,313,613 82	76,313,613 82	76,313,613 82
Rentes Immobilisées (Law of June 9, 1857) ...	100,000,000 0	100,000,000 0	100,000,000 0	100,000,000 0
Hotel and furniture of the Bank, and landed property of branches ...	9,085,910 0	9,048,098 0	9,048,919 0	9,063,419 0
Expenses of management ...	53,663 45	333,667 89	359,401 69	365,703 39
Employ of the Special Reserve ...	17,694,209 97	17,694,209 97	17,694,209 97	17,694,209 97
Sundries ...	19,867,689 90	23,506,519 94	23,437,161 24	24,160,357 58
Total ...	3,442,323,433 85	3,438,285,220 40	3,446,832,549 49	3,441,284,409 90

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1877. Jan. 24.	1877. Jan. 31.	1877. Feb. 7.	1877. Feb. 14.	1877. Feb. 21.
	£	£	£	£	£
Notes issued	41,319,380	40,858,370	40,624,520	40,590,545	40,624,255
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,984,900	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion	26,319,380	25,858,270	25,624,520	25,590,545	25,624,255
Silver Bullion					
	41,319,380	40,858,370	40,624,520	40,590,545	40,624,255

BANKING DEPARTMENT.

	1877. Jan. 24.	1877. Jan. 31.	1877. Feb. 7.	1877. Feb. 14.	1877. Feb. 21.
	£	£	£	£	£
Proprietors' capital	14,553,000	14,553,000	14,553,000	14,553,000	14,553,000
Reserve	3,319,618	3,308,070	3,335,527	3,342,451	3,340,378
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts).	4,101,623	4,637,165	5,613,338	6,632,609	6,857,731
Other deposits	27,365,718	25,146,245	23,520,174	21,890,498	23,152,710
Seven day and other bills	331,834	315,969	329,031	297,980	290,370
	49,671,793	48,158,149	47,351,070	47,716,388	48,164,189
Government Securities	17,317,876	16,367,876	18,001,441	18,001,441	18,026,176
Other Securities	17,763,841	17,732,917	17,787,166	17,818,123	17,576,949
Notes... ..	13,980,430	13,265,385	12,610,090	13,046,110	13,647,015
Gold and Silver coin	910,646	791,971	753,383	847,714	934,049
	49,671,793	48,158,149	47,351,070	47,716,388	48,164,189

THE EXCHANGES.

	Jan. 26.	Feb. 2.	Feb. 9.	Feb. 16.	Feb. 23.
Amsterdam, short	12 1½	12 1½	12 1	12 1½	12 1½
Ditto 3 months	12 3½	12 2½	12 5	12 3½	12 3½
Rotterdam, ditto	12 3½	12 2½	12 5	12 3½	12 3½
Antwerp and Brussels, ditto	25 37½	25 36	25 36	25 37½	25 37½
Paris, short	25 23½	25 22½	25 22	25 23½	25 23½
Ditto 3 months	25 35	25 35	25 35	25 37½	25 35
Marseilles, ditto	25 37½	25 35	25 35	25 37½	25 35
Hamburg, ditto	20 61	20 64	20 64	20 63	20 63
Berlin, ditto	20 61	20 64	20 64	20 63	20 63
Leipzig, ditto	20 61	20 64	20 64	20 63	20 63
Frankfort-on-the-Main, ditto	20 61	20 64	20 64	20 63	20 63
Petersburgh, ditto	29½	29½	29½	29½	29½
Openhagen, ditto	18 65	18 65	18 65	18 65	18 65
Vienna, ditto	12 65	12 62½	12 65	12 65	12 67½
Trieste, ditto	12 65	12 62½	12 65	12 65	12 67½
Zurich and Basle, ditto	25 42½	25 42½	25 42½	25 40	25 40
Madrid, ditto	47½	47½	47½	47½	47½
Cadiz, ditto	48½	48½	48½	48½	48½
Seville, ditto	48½	48½	48½	48½	48½
Barcelona, ditto	48½	48½	48½	48½	48½
Malaga, ditto	47½	47½	48	48	48
Granada, ditto	47½	47½	47½	47½	47½
Santander, ditto	47½	47½	47½	47½	47½
Bilboa, ditto	47½	47½	47½	47½	47½
Zaragoza, ditto	47½	47½	47½	47½	47½
Genoa, Milan, Leghorn, ditto	27 65	27 67½	27 62½	27 63½	27 70
Venice, ditto	27 65	27 67½	27 62½	27 62½	27 70
Naples, ditto	27 65	27 67½	27 62½	27 62½	27 70
Palermo and Messina, ditto	27 65	27 67½	27 62½	27 62½	27 70
Lisbon, 90 days	52½	52½	52½	52½	52½
Oporto, ditto	52½	52½	52½	52½	52½
Rio Janeiro, 60 days	...	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 10	3 17 10½	3 17 10½	3 17 10½	3 17 9
Mexican Dollars	0 4 9½	0 4 9½	0 4 9	0 4 9½	0 0 0
Silver in Bars (Standard)	0 4 10	0 4 9½	0 4 9	0 0 0	0 4 8

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
"	207 Private Banks	5,158,407
"	72 Joint Stock Banks	3,495,446
Scotland—	12 Joint Stock Banks	3,087,309
Ireland—	6 Joint Stock Banks	6,354,494
		<u>£32,090,556</u>

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£475,000
1861—July 10th	175,000
1866—Feb. 21st	550,000
	<u>1,000,000</u>

£33,090,556

Deduct Lapsed Issues—

England—	88 Private Banks	£1,845,415
"	20 Joint Stock Banks	907,895
Scotland—	1 Joint Stock Bank, combining two issues, namely:—	
	Ayrshire Bank	£58,656
	Western Bank of Scotland	284,282
		<u>337,938</u>

2,591,248

£30,499,308

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
"	*113 Private Banks	3,807,992
"	†52 Joint Stock Banks	2,587,551
Scotland—	†11 Joint Stock Banks	2,749,271
Ireland—	6 Joint Stock Banks	6,354,494
		<u>£30,499,308</u>

*NOTE.—The number of Private Banks authorized to issue their own notes	
in England, by the Act of 1844, was	207
Diminished in number by amalgamation	6
Lapsed Issues	88
	<u>94</u>
	<u>113</u>

† The number of Banks authorized to issue their own notes in Scotland, by	
the Act of 1845, was	19
Diminished in number by amalgamation	6
Lapsed Issues, as stated above	2
	<u>11</u>

ENGLISH FUNDS.

	Price on Feb. 23.	Highest.	Lowest	Price on Jan. 19.
Consols	96½	96½	95½	95½
Exchequer Bills	17/ pm.	80/ pm.	12/ pm.	..

Bank Rate of Discount 2 per cent.

Note.—The fixed issues of two Joint Stock Banks have been withdrawn this month, viz.:—
Helston Banking Company (suspended) fixed issue £1,503; North Wilts Banking
Company, fixed issue £63,639—Amalgamated with Hampshire Banking Company,
and become bankers in London.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Dec. 30.	Jan. 6.	Jan. 13.	Jan. 20.
	£	£	£	£	£
1 Ashford Bank	11,849	10,249	10,706	10,571	10,634
2 Aylesbury Old Bank	48,461	16,555	18,101	18,480	18,797
3 Baldock and Biggleswade Bank	37,223	14,774	14,471	14,390	15,437
4 Barnstaple Bank	17,182	8,115	8,170	8,254	8,246
5 Bedford Bank	34,218	28,715	29,062	28,691	28,851
6 Bicester and Oxfordshire Bank	27,090	18,649	18,499	14,030	13,897
7 Boston Bank—Garfit and Co.	75,069	50,116	52,800	54,476	56,801
8 Bristol Bank	48,277	20,513	20,719	20,524	20,260
9 Broseley and Bridgnorth Bank	26,717	11,514	12,014	12,732	13,531
10 Buckingham Bank	29,657	17,318	18,190	18,350	18,757
11 Bury and Suffolk Bank	82,362	33,082	34,474	35,830	34,631
12 Banbury Bank	43,457	20,377	21,166	20,734	21,873
13 Banbury Old Bank	55,153	17,174	17,601	17,402	17,471
14 Bedfordshire Leighton Buzzard Bk.	36,829	29,142	29,321	30,812	30,286
15 Brecon Old Bank	68,271	31,004	30,430	31,289	29,015
16 Brighton Union Bank	33,794	21,105	22,250	22,331	22,710
17 Burlington and Driffield Bank	12,745	11,047	12,031	13,121	12,429
18 Bury St. Edmunds Bank	3,201	1,754	1,586	1,486	1,477
19 Cambridge Bank—Mortlock & Co.	25,744	14,946	15,047	14,502	13,868
20 Cambridge and Cambridgeshire Bank	49,916	41,456	41,300	41,748	41,726
21 Canterbury Bank	33,671	17,961	21,007	21,805	20,704
22 Colchester Bank	25,082	9,963	10,441	10,785	10,699
23 Colchester and Essex Bank	48,704	22,694	23,876	25,090	24,678
24 Cornish Bank	49,869	28,784	29,634	28,800	27,925
25 City Bank, Exeter	21,527	11,851	12,161	12,144	12,255
26 Craven Bank—Birkbeck and Co.	77,154	66,935	67,049	66,589	65,969
27 Derby Bank—Messrs. Evans and Co.	13,332	12,110	12,966	11,667	10,850
28 Derby Bank—Smith and Co.	41,304	28,070	27,069	26,213	25,911
29 Derby Old Bank	27,237	27,921	27,903	27,532	24,460
30 Devizes and Wiltshire Bank	20,674	4,983	5,090	5,176	5,212
31 Darlington Bank	86,218	78,897	82,754	82,622	81,066
32 Devonport Bank	10,664	5,665	4,944	4,565	4,416
33 Dorchester Old Bank	48,907	31,787	33,113	34,756	34,490
34 East Cornwall Bank	112,280	80,195	79,725	80,089	80,263
35 East Riding Bank	53,392	48,671	53,007	55,265	52,968
36 Essex Bk. and Bishop's Stortford Bk.	69,637	33,476	36,188	35,528	34,480
37 Exeter Bank	37,894	17,410	18,590	18,069	17,640
38 Farnham Bank	14,202	5,615	5,688	5,833	5,899
39 Faversham Bank	6,681	4,963	5,094	5,545	4,866
40 Godalming Bank	6,322	4,539	4,858	5,190	5,715
41 Guildford Bank	14,524	10,540	10,345	10,545	10,274
42 Grantham Bank—Hardy and Co.	30,372	15,870	16,255	16,412	17,038
43 Hull and Kingston-upon-Hull Bank	19,979	17,329	19,465	20,549	20,088
44 Huntingdon Town and County Bank	56,591	21,057	21,782	23,095	23,486
45 Harwich Bank	5,778	4,590	4,835	4,629	4,707
46 Hertfordshire, Hitchin Bank	38,764	27,799	29,167	30,492	30,996
47 Ipswich Bank	21,901	17,064	18,138	18,549	18,514
48 Ipswich and Needham Market Bank	80,699	42,602	45,178	45,886	46,200
49 Kentish Bank—Mercers and Co.	19,895	18,045	19,204	19,715	19,013
50 Kington and Radnorshire Bank	26,050	18,374	17,825	17,133	16,645
51 Knaresborough Old Bank	21,825	18,324	19,073	19,984	19,732
52 Kendal Bank	44,663	39,406	39,858	40,623	41,353
53 Leeds Bank	130,757	119,841	124,240	125,861	127,421

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Dec. 30.	Jan. 6.	Jan. 13.	Jan. 20.
	£	£	£	£	£
54 Leeds Union Bank	37,459	36,948	37,226	36,545	34,625
55 Leicester Bank	32,322	24,347	24,528	24,574	24,390
56 Lewes Old Bank	44,836	21,382	20,970	21,584	21,298
57 Lincoln Bank	100,342	89,959	92,074	95,081	95,754
58 Llandovery Bank and Llandilo Bank	32,945	17,340	14,079	11,750	10,271
59 Loughborough Bank	7,359	5,811	5,610	5,255	5,801
60 Lymington Bank	5,038	2,040	2,193	2,461	2,822
61 Lynn Regis and Lincolnshire Bank	42,817	23,099	24,372	25,435	25,129
62 Lynn Regis and Norfolk Bank	13,917	7,206	7,220	7,750	7,058
63 Macclesfield Bank	15,760	9,623	10,160	10,220	10,488
64 Miners' Bank	18,688	16,630	16,460	16,470	16,252
65 Monmouth Old Bank	16,385	1,865	2,024	1,970	1,923
66 Newark Bank	28,788	9,799	9,575	9,136	9,050
67 Newark and Sleaford Bank	51,615	32,852	35,284	37,057	37,049
68 Newbury Bank	36,787	10,351	10,810	11,868	12,538
69 Newmarket Bank	23,098	13,590	13,895	14,209	14,851
70 Norwich and Norfolk Bank	105,519	79,622	86,214	86,596	82,538
71 Naval Bank, Plymouth	27,321	20,559	21,940	23,221	21,915
72 New Sarum Bank—Pinckney Bros.	15,659	8,651	4,187	4,287	4,707
73 Nottingham Bank	31,047	81,875	80,384	29,903	30,024
74 Oswestry Bank	18,471	6,988	6,653	6,780	6,329
75 Oxford Old Bank	34,391	28,555	29,210	29,765	29,629
76 Old Bank, Tonbridge	13,183	10,980	12,390	11,973	11,765
77 Oxfordshire Witney Bank	11,852	5,611	5,580	5,864	5,939
78 Pease's Old Bank, Hull	48,807	49,020	51,168	48,073	46,755
79 Penzance Bank	11,405	7,994	8,684	8,899	7,594
80 Reading Bank—Simonds and Co.	37,519	13,113	19,108	19,600	19,426
81 Reading Bk.—Stephens, Blandy & Co.	43,271	25,087	25,408	25,878	26,015
82 Richmond Bank, Yorkshire	6,889	6,590	6,873	6,702	6,626
83 Royston Bank	16,393	7,131	7,082	7,286	7,580
84 Rye Bank	29,864	6,707	7,586	7,413	7,479
85 Saffron Walden and North Essex Bk.	47,646	19,860	20,076	20,486	20,586
86 Salop Bank	22,338	3,858	3,693	3,705	4,063
87 Scarborough Old Bank	24,813	22,813	24,201	24,378	24,657
88 Shrewsbury Old Bank	43,191	22,701	23,411	24,990	23,761
89 Sittingbourne and Milton Bank	4,789	1,719	1,895	1,725	1,645
90 Southampton Town and County Bank	25,359	8,070	8,710	8,613	8,448
91 Stamford and Rutland Bank	31,858	11,567	12,007	12,316	12,024
92 Shrewsbury and Welchpool Bank	25,386	17,134	18,034	17,625	16,766
93 Tavistock Bank	13,421	9,300	9,390	9,338	9,082
94 Thornbury Bank	10,026	6,110	6,189	5,831	6,035
95 Tiverton and Devonshire Bank	13,470	5,996	6,066	6,062	5,721
96 Thrapstone and Kettering Bank	11,559	9,967	10,830	10,789	11,040
97 Tring Bank and Chesham Bank	13,531	11,876	11,523	11,730	12,215
98 Towcester Old Bank	10,801	5,415	5,672	6,086	5,789
99 Union Bank, Cornwall	17,003	10,601	7,841	5,566	4,680
100 Uxbridge Old Bank	25,136	5,148	5,739	5,965	5,460
101 Wallingford Bank	17,064	4,140	4,100	3,983	4,019
102 Warwick and Warwickshire Bank ..	30,504	23,767	24,367	24,553	24,900
103 Wellington Somerset Bank	6,528	3,703	3,561	3,667	3,478
104 West Riding Bank	46,158	42,720	45,197	48,519	46,932
105 Whitby Old Bank	14,258	12,869	13,640	14,889	14,409
106 Winchester, Alresford and Alton Bk.	25,892	8,875	8,606	8,407	8,770
107 Weymouth Old Bank	16,461	10,650	11,728	11,454	11,831
108 Wisbech and Lincolnshire Bank	59,713	31,229	31,650	31,274	30,450
109 Wiveliscombe Bank	7,602	1,714	1,811	1,903	1,735
110 Worcester Old Bank	37,448	41,299	41,771	42,625	41,423
111 Yarmouth and Suffolk Bank	53,060	50,536	46,255	43,244	42,567
112 Yarmouth, Norfolk, and Suffolk Bank ..	13,229	15,645	13,165	11,600	12,017
113 York Bank	46,387	33,748	39,148	40,739	42,648

JOINT STOCK BANKS.

NAME OF BANK.	Author- ised Issue.	AVERAGE AMOUNT.			
		Dec. 30.	Jan. 6.	Jan. 13.	Jan. 20.
1 Bank of Westmoreland.....	12,225	9,612	9,585	9,769	10,079
2 Barnsley Banking Company.....	9,563	8,781	8,718	8,917	9,350
3 Bradford Banking Company	49,292	48,310	48,192	48,616	48,754
4 Bank of Whitehaven	32,681	23,571	24,622	24,998	24,761
5 Bradford Commercial Banking Co. ..	20,084	19,828	20,055	20,042	20,055
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	47,378	49,197	49,635	46,058
7 Chesterfield & N. Derbyshire Bk. Co..	10,421	8,618	8,598	8,751	9,135
8 Cumberland Union Banking Co.....	35,395	33,853	34,462	34,893	35,440
9 Coventry and Warwickshire Bk. Co...	28,734	15,795	17,006	17,115	16,360
10 Coventry Union Banking Company ..	16,251	14,865	14,797	15,014	14,760
11 County of Gloucester Banking Co.....	144,352	86,194	89,259	90,887	90,125
12 Carlisle and Cumberland Banking Co.	25,610	22,169	21,828	22,550	23,813
13 Carlisle City and District Bank	19,972	20,036	20,015	19,670	19,748
14 County of Stafford Bank	9,418	6,897	7,160	7,145	7,408
15 Derby and Derbyshire Banking Co. ..	20,093	20,148	18,778	18,695	19,588
16 Darlington District Joint Stock Bk. Co.	26,134	22,051	22,632	23,538	23,423
17 Gloucestershire Banking Company ..	155,920	126,107	130,821	131,911	127,839
18 Halifax Joint Stock Bank.....	18,534	18,848	18,401	17,610	17,927
19 Huddersfield Banking Company.....	37,354	35,218	35,525	36,967	39,387
20 Hull Banking Company	29,333	29,447	29,500	28,812	28,660
21 Halifax Commercial Banking Co.	18,733	9,969	9,890	9,832	9,741
22 Halifax and Huddersfield Union Bank	44,137	29,740	32,137	33,643	34,740
23 Knaresborough and Claro Banking Co.	28,059	25,589	26,419	26,951	27,417
24 Lancaster Banking Company	64,311	56,013	56,871	58,910	58,517
25 Leicestershire Banking Company	86,060	61,661	63,138	66,146	66,653
26 Lincoln and Lindsey Banking Co.....	51,620	50,517	51,710	52,090	47,851
27 Leamington Priors and Warwickshire Banking Company	13,875	11,686	12,247	12,066	12,074
28 Ludlow and Tenbury Bank	10,215	8,409	8,269	8,840	8,884
29 Moore and Robinson's Notts. Bkg. Co.	35,813	37,215	36,018	35,233	32,278
30 Nottingham and Notts. Banking Co... North Wilts Banking Company	29,477	28,910	28,490	29,185	28,563
31 Northamptonshire Union Bank	84,356	54,620	56,285	57,565	57,525
32 Northamptonshire Banking Company	26,401	16,564	16,789	17,285	16,363
33 North and South Wales Bank.....	68,951	58,556	57,890	55,655	55,885
34 Pares's Leicestershire Banking Co. ..	59,300	50,777	51,894	50,893	52,158
35 Sheffield Banking Company	85,843	23,116	22,886	23,538	22,664
36 Stamford, Spalding & Boston Bk. Co.	55,721	44,565	45,666	47,914	48,201
37 Stuckey's Banking Company	356,976	302,490	308,135	309,796	307,047
38 Stourbridge & Kidderminster Bkg. Co.	56,830	43,015	43,090	43,572	46,090
39 Sheffield and Hallamshire Bkg. Co. ..	28,524	23,128	22,062	22,857	21,611
40 Sheffield & Rotherham Joint Stock Bk.	52,496	50,065	49,176	48,461	47,644
41 Swaledale and Wensleydale Bkg. Co. .	54,372	33,344	49,244	49,145	48,579
42 Wolverhampton and Staffordshire Bk.	35,373	15,650	16,349	18,047	18,378
43 Wakefield and Barnsley Union Bank..	14,604	13,353	13,474	13,891	13,446
44 Whitehaven Joint Stock Bkg. Co.	31,916	25,045	25,779	26,932	27,498
45 West of Eng. & S. Wales District Bk.	88,535	68,009	68,432	68,914	68,918
46 Wilts and Dorset Banking Company..	76,162	76,281	73,876	79,310	73,864
47 West Riding Union Banking Company	34,029	32,056	32,417	33,855	32,811
48 Whitchurch and Ellesmere Bk. Co. ..	7,475	5,065	5,404	5,562	5,255
49 Worcester City and County Bk. Co. .	6,848	1,558	1,608	1,975	1,666
50 York Union Banking Co.....	71,240	69,609	70,835	73,390	70,455
51 York City and County Banking Co. ..	94,695	87,723	89,900	94,186	95,297
52 Yorkshire Banking Company	122,532	114,241	116,079	119,650	121,058

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 20th January, 1877.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland	3,738,428	1,909,200	1,269,175	3,178,375	577,762
Provincial Bank of Ireland	927,667	482,080	424,884	906,914	440,450
Belfast Bank	281,611	219,831	329,992	549,823	364,293
Northern Bank	213,440	212,381	325,296	537,677	416,757
Ulster Bank	311,079	891,426	421,528	812,954	642,516
The National Bank	852,269	850,661	616,507	1,467,168	1,085,188
TOTALS (Irish Banks)....	6,354,494	4,065,529	3,387,882	7,452,911	3,526,966

SCOTCH BANKS.

Bank of Scotland	343,418	235,196	475,188	710,384	487,780
Royal Bank of Scotland	216,451	257,713	485,895	743,608	636,317
British Linen Company	438,024	183,597	385,784	569,382	231,547
Commercial Bank of Scotland..	874,880	253,748	566,922	820,671	590,084
National Bank of Scotland	297,024	196,353	428,012	624,366	446,699
Union Bank of Scotland	454,346	271,332	528,188	799,520	491,848
Aberdeen Town & County Bank	70,138	98,628	123,158	220,786	193,331
North of Scotland Banking Co.	154,319	173,225	179,348	352,573	233,330
Clydesdale Banking Company..	274,321	200,545	349,027	549,572	369,050
City of Glasgow Bank	72,921	235,063	420,111	655,195	642,577
Caledonian Banking Company ..	53,434	40,147	83,815	123,963	49,270
TOTALS (Scotch Banks)....	2,749,271	2,145,567	4,024,898	6,169,970	4,416,763

BANKERS' CLEARING HOUSE RETURNS.

THE FOLLOWING IS THE RETURN OF PAID CLEARING FOR THE

WEEK ENDING JAN. 31ST.	WEEK ENDING FEB. 7TH.	WEEK ENDING FEB. 14TH.
Thursday £11,752,000	Thursday .. £19,327,000	Thursday £12,676,000
Friday	Friday	Friday
Saturday	Saturday....	Saturday
Monday	Monday	Monday
Tuesday	Tuesday	Tuesday
Wednesday ..	Wednesday ..	Wednesday ..
£103,786,000	£103,488,000	£95,474,000

WEEK ENDING FEB. 21ST.	Tuesday	£14,504,000
Thursday	Wednesday....	12,942,000
Friday		
Saturday		£90,931,000
Monday		

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING JAN. 20th, 1877.**

	Fixed Issues.	Dec. 30.	Jan. 6.	Jan. 13.	Jan. 20.
	£	£	£	£	£
118 Private Banks	3,807,992	2,369,297	2,472,523	2,496,036	2,471,846
*52 Joint Stock Banks	2,587,651	2,177,821	2,190,620	2,281,070	2,210,950
165 Totals	6,395,643	4,547,118	4,663,143	4,727,106	4,682,796

Average Weekly Circulation of these Banks for the month ending Jan. 20, 1877:—

Private Banks	£2,452,425
Joint-Stock Banks	2,202,615

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,655,040

On comparing these amounts with the Returns for the month ending Dec. 23rd last, they show:—

An increase in the notes of Private Banks, of	£21,209
A decrease in the notes of Joint-Stock Banks, of	9,812

Total increase on the month £11,397

And, as compared with the month ending Jan. 22nd, 1876:—

A decrease in the notes of Private Banks, of	£84,159
A decrease in the notes of Joint-Stock Banks, of	102,829

Total decrease as compared with the same period of last year £186,988

The following is the comparative state of the circulation as regards the fixed issues:—

The Private Banks are <i>below</i> their fixed issues	£1,355,567
The Joint-Stock Banks are <i>below</i> their fixed issues	384,986

Total BELOW their fixed issues £1,740,503

SUMMARY OF IRISH AND SCOTCH RETURNS TO JAN. 20th, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

Average Circulation of the Irish Banks	£7,452,911
Average Circulation of the Scotch Banks	6,169,970

Total Average Circulation of these Banks for the past month £13,622,881

On comparing these amounts with the Returns for the month ending 23rd Dec. last, they show—

Decrease in the Circulation of Irish Banks	£368,586
Decrease in the Circulation of Scotch Banks	444,781

Total decrease on the month.. .. . £813,317

And as compared with the month ending Jan. 22nd, 1876, they show—

Decrease in the Circulation of Irish Banks	£198,543
Increase in the Circulation of Scotch Banks	292,505

Total increase as compared with the same period of last year £93,962

Note—The fixed issues of two Joint Stock Banks have been withdrawn this month, viz.:—
Helston Banking Company (suspended) fixed issue £1,603; North Wilts Banking Company fixed issue £83,939—(amalgamated with Hampshire Banking Company, and become bankers in London.)

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	6,354,494
11 Banks in Scotland, allowed to issue	..	..	..	..	2,749,271
17 Banks in all, allowed to issue	..	..	..	..	£9,108,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	£1,098,417
Scotch Banks are above their fixed issue	..	..	..	..	8,420,699

Total above the fixed issue	..	..	..	..	£4,519,116
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	£3,526,966
Gold and Silver held by the Scotch Banks	..	..	..	..	4,416,763

Total of Gold and Silver Coin	..	..	..	..	£7,943,729
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Being a decrease of £37,791 on the part of the Irish Banks, and a decrease of £358,956 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO JAN. 20th, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	Jan. 20.	Dec. 23.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 17th Jan.)	28,215,317	27,456,055	759,262	..
Private Banks	2,452,495	2,431,216	21,209	..
Joint-Stock Banks	2,202,615	2,212,427	..	9,812
Total in England	32,870,357	32,099,698	780,471	9,812
Scotland	6,169,970	6,614,751	..	444,781
Ireland	7,452,911	7,821,447	..	368,536
United Kingdom	46,493,238	46,535,896	780,471	823,129

The comparison of the month ending Jan. 22nd, 1876, with the month ending Jan. 20th, 1877, shows an *increase* in the Bank of England circulation of £579,305, a *decrease* in Private Banks of £84,159, and a *decrease* in Joint-Stock Banks, of £102,529, being a total *increase* in England of £392,317, while in Scotland there is an *increase* of £292,505; and in Ireland a *decrease* of £198,543. Thus showing that the month ending the 20th Jan., as compared with the same period last year, presents an *increase* of £392,317 in England, and an *increase* of £486,279 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending Jan. 17th gives an average amount in both departments of £27,983,136. On a comparison of this with the Return for the previous month, there appears to be a *decrease* of £1,176,621; and an *increase* of £6,359,263 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending Jan. 20th was £7,943,729; being a *decrease* of £396,747, as compared with the Return of the previous month, and an *increase* of £340,007, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share.	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	10½
Feb. Aug.	6 "	25	Alliance, Limited	10	13
Jan. July	...	2000.	Anglo-Austrian	1200.	
Mar. Sep.	10 p. ct.	20	Anglo-Californian, Limited	10	11½
May Nov.	...	20	Anglo-Egyptian Banking, Limited	all	13½
Mar. Sep.	7½ p. ct.	20	Anglo-Foreign Banking, Limited	10	
...	...	1000.	Anglo-Hungarian	all	
Feb. Aug.	5 "	20	Anglo-Italian, 1866, Limited	10	
Mar. Sep.	12½ "	40	Bank of Australasia	all	78
April Oct.	8 "	20	Bank of British Columbia	all	23½
...	8 "	20	Ditto New, issued at 23 pm.	10	
Jan. July	6 "	10	Bank of Constantinople	8	
Feb. Aug.	10 "	25	Bank of Egypt	all	
...	12 "	Stk.	Bank of Ireland	100	
Jun. Dec.	5 "	20	Bank of Roumania	8	3½
Jan. July	10 "	25	Bank of South Australia	all	41½
April Oct.	12 "	50	Bank of Victoria, Australia	25	
Jan. July	15 "	10	Bank of New Zealand	all	
...	6 "	50	British North American	all	
Feb. Aug.	8 "	10	Central of London, Limited	5	
April Oct.	8 "	20	Chartered of India, Australia, and China	all	19½
...	8 "	25	Chartered Merc. of India, London and China	all	29½
Jan. July	8 "	20	City	10	13½
...	13½ "	100	Colonial	30	56½
April Oct.	5 "	6	Commercial Bank of Alexandria, Limited	3	
Jan. July	10 "	10	Consolidated, Limited	4	7½
April Oct.	8½ "	25	Delhi and London, Limited	all	
May Nov.	8 "	20	English Bank of Rio de Janeiro, Limited	10	11½
Feb. Aug.	8 "	20	English, Scottish, and Australian Chartered	all	
...	...	20	Franco-Egyptian, issued at 5 pm.	10	
April Oct.	6 "	28½	Hong Kong and Shanghai Bank Corporation	all	
Jan. July	6 "	50	Imperial, Limited	15	
...	...	20	Imperial Ottoman	10	4½
April Oct.	8 "	25	Ionian	all	
...	8 "	25	Ditto, New	10	
May Nov.	...	20	Land Mortgage Bank of India, Limited	5	1½
Jan. July	...	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	90
Mar. Sep.	...	30	London Bank of Mexico & South America, Lim.	20	
...	6 "	30	Ditto, New	10	2½
Jun. Dec.	8 "	20	London Chartered of Australia	all	27½
Feb. Aug.	16 "	50	London and County	20	61½
...	16 "	50	Ditto, New, 1874, iss. at 10 pm.	20	
Jan. July	15 "	50	London Joint Stock	15	47½
Feb. Aug.	12½ "	10	London and Provincial, Limited	5	12
Jun. Dec.	4 "	100	London and River Plate, Limited	40	
...	...	25	Ditto, New	10	
Mar. Sep.	8 "	10	London and San Francisco, Limited	all	12½
May Nov.	...	20	London and South African	all	13½
Feb. Aug.	8 "	100	London and South Western, Limited	20	
...	14 "	100	London and Westminster	20	63
April Oct.	10 "	20	Mercantile Bank of the River Plate, Limited	all	
Mar. Sep.	12 "	100	Merchant, Limited	25	32
Jan. July	8 "	10	Metropolitan A } B receives no dividend until {	all	
" "	...	10	Ditto "B } 10 per ct. has been paid to A {	all	
" "	8 "	10	Ditto, New, A	1½	
Feb. Aug.	8 "	100	Midland, Limited	20	26½
...	12 "	50	National	30	
Jun. Dec.	9 "	5	National of Australasia	4	
Feb. Aug.	6/13/4 p. ct.	25	National of Liverpool, Limited	15	
Jan. July	6 "	10	National of New Zealand, Limited	3½	3½
Jun. Dec.	20 "	50	National Provincial of England	21	87½
" "	20 "	20	Ditto, ditto	12	50½
" "	20 "	20	Ditto, New, 1874, iss. at 210 prem.	10	
April Oct.	5 "	20	New London and Brazilian, Limited	10	
May Nov.	17½ "	20	New South Wales	all	58
Feb. Aug.	4/3/4 "	20	North Eastern, Lim., iss. at 2 pm., already paid	6	5½
Feb. Aug.	8 "	24	North Western	7½	
April Oct.	10 "	25	Oriental Bank Corporation	all	44½
Jan. July	15 "	100	Provincial of Ireland	25	
...	15 "	10	Ditto, New	all	
May Nov.	12 "	100	Standard of British South Africa, Limited	25	39
Jan. July	16 "	25	Union of Australia	all	60
" "	12½ "	50	Union of London	15½	40½

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

APRIL, 1877.

THE NATIONAL BANKS OF THE UNITED STATES OF AMERICA.

THE Annual Report of the Comptroller of the Currency to Congress, dated December 2, 1876, gives a very instructive statement as to the position of Banking in the United States of America at the present time. The existing system of National Banks in that country was founded in the year 1863. The Act of Congress establishing that system is dated 25th February, 1863, and the title to it explains in a very few words the main principle on which the National Banks were to be founded—to supply a dependable circulating medium, and to assist the Government, then deep in the struggles of the civil war, by providing the means of taking up their obligations. The title of the Act is, “An Act to provide a National currency, secured by a pledge of United States’ Stocks, and to provide for the Circulation and Redemption thereof.” Before the year 1863 a very different system was in force. In many of the states of the Union “States Banks” had been established, with charters granted by the legislatures of the different states. These charters were not by any means all on a uniform plan, and the banks differed from each other in a corresponding way as to standing, credit, and solvency. Notes issued in one state were frequently at a discount in another, and the loss and inconvenience in so large a territory were very serious drawbacks to the prosperity of the country. When the civil war in

America began the circulating medium of the country was, with little exception, in the hands of these banks, and consisted almost entirely of bank notes issued, generally speaking, on but slender securities. But the Act of 1863 soon brought about a change in this, and established instead a circulation based on the firm security of the Bonds of the Treasury. The change was not long in being brought about. "In about two years and a half from the organization of the first National Bank," as Mr. McCulloch stated, "the whole system of banking under State laws has been superseded, and the people of the United States have been provided with a circulation bearing upon it the seal of the Treasury department as a guarantee of its solvency." The measure was a very welcome one. The system previously in existence had been far from favourable to good banking; there was no certain guarantee for the credit of the circulation in its provisions, and the new system—under which the notes circulated by every bank were all equally well secured, as well as any circulation can be which does not rest on a metallic basis,—was a great step in advance. This was the advantage to the public, and it was no slight advantage. To the Government the gain also was considerable. The banks were compelled to take up a very large mass of the securities issued by the Government, which might otherwise have found it difficult, if not impossible, to place such an amount at that time. To ensure compliance with the requirements of the Government the banks have been compelled to keep the reserves both of specie and of Government securities in certain cities, called for this purpose "Reserve Cities." These are New York, Boston, Philadelphia, Baltimore, Albany, Pittsburgh, Washington, New Orleans, Louisville, Cincinnati, Cleveland, Chicago, Detroit, Milwaukee, Saint Louis, and San Francisco. Thus the fact, whether a bank does or does not comply with the demands of the Legislature can be easily ascertained, in whatever part of the Union it may be established, whether in one of the New England states or in the less settled portions of the country. Beyond this two other safeguards were instituted. The one was the requirement of frequent reports from the banks themselves, the other was the periodic inspection of the affairs of each bank by officials appointed by the Government.

With regard to the first of these, at the commencement of the new system, besides quarterly reports, monthly statements of the deposits, loans, reserves, and circulation had to be rendered. In 1869 this arrangement was modified, and five reports instead were directed to be made each year to the Comptroller of the Currency, besides statements as to the dividends immediately after they have been declared. Reports as to the condition of the banks have also to be published at stated times in the newspapers.

With regard to the second, the section of the National Banking Law, prescribing the duties of the Bank Examiners, is as follows, and it will be seen that it is very stringent in its requirements:—

“Sec. 55. And be it further enacted, that the Comptroller of the Currency, with the approbation of the Secretary of the Treasury, as often as shall be deemed necessary or proper, shall appoint a suitable person or persons to make an examination of the affairs of every banking association; which person shall not be a director or other officer in any association whose affairs he shall be appointed to examine, and who shall have power to make a thorough examination into all the affairs of the association, and in doing so, to examine any of the officers and agents thereof on oath; and shall make a full and detailed report of the condition of the association to the Comptroller. And the association shall not be subject to any other visitatorial powers than such as are authorised by this Act, except such as are vested in the several courts of law and chancery. And every person appointed to make such examination shall receive for his services at the rate of five dollars for each day by him employed in such examination, and two dollars for every twenty-five miles he shall necessarily travel in the performance of his duty, which shall be paid by the association by him examined.”

Nor is this examination a mere form. We derive from the *American Bankers' Magazine*, of April, 1876, the following statement as to the circumstances attending the stoppage of the National Bank of the State of New York in the March of that year, from which it will be seen that the report of the Government Examiner, as to the condition of the bank, led at once to its suspension. There appears to have been neither any panic,

nor any run on the bank, nor any suspicion whatever out of doors that anything was radically wrong.

"The bank in question had a large paid-up capital. It is well known that this is one of the fundamental requisites for a strong, stable bank. Its capital should be ample without being unwieldy or excessively large; moreover, the surplus was considerable, and the aggregate of capital and surplus amounted to very little short of the sum of the bank deposits. Another fact of importance is that the reserves of the bank have always been large. When the bank closed its doors it is reported to have held more than a million of legal tenders, and \$325,000 in specie. - As its deposits were only about two and a half millions, and its circulation no more than \$247,900, the position of the bank appeared, when tried by the ordinary tests, to be perfectly solvent and exceptionally strong. From these facts many persons have deduced the inference that the public statements of the banks are of no value at all as guarantee of the stability of the banking system, or of the solvency of the individual institutions of which it is made up. This is a very illogical conclusion, and is equally vicious in reasoning and false in fact.

"When the report of the new Board of Directors is published, the public will be put in possession of some facts which are necessary to enable us to understand more fully the circumstances attending the suspension. What is known is briefly this: Mr. Meigs, the Bank Examiner, employed in the city of New York by the Comptroller of the Currency, visited in the ordinary course of his duty, the bank of the State of New York. He found its reserves of greenbacks and specie very large, and many other things about the bank perfectly sound. Indeed, there was but one thing lacking. That defect was, however, fatal. The bank had been lending money on unbankable securities, and its means were consequently locked up to the extent of more than a million of dollars. The chief blame seems to have been ascribed to the Vice-President, Richard Patrick, whose own debts to the bank were reported at \$230,000, partly secured by real estate.

"Of course the duty of the Bank Examiner, on making this discovery, was to report it to his superior officer, the Comptroller at Washington. Meanwhile the Clearing House Committee made an examination of the bank. Finding that the capital was impaired, and that irregularities had been going on, they suspended the bank temporarily from the privileges of the Clearing House Association. This prompt and needful action was subsequently approved by an overwhelming vote of the whole of the Clearing House banks. Immediately after receiving the news of its suspension from the Clearing House, the bank closed its doors, although it held in its vaults a million of greenbacks, with other available assets, sufficient to pay on demand all possible claims that could be presented, until its stockholders, who are men of great wealth and

influence, had time to take the necessary action for sustaining the bank. On the next day, March 15th, the Examiner presented several notes of the bank at its counter, but as they were paid in greenbacks no receiver was appointed. A new Board of Directors was at once elected, with Mr. August Belmont as President, and the bank will either be wound up by its own officers, or it will resume business, as its Board of Managers may recommend and its stockholders decide."—*American Bankers' Magazine*, April, 1876, p. 754.

Having given this rough outline of the main features of the American system of National banks, the following statement as to the growth of their capital and deposits from the year 1863 to 1876 will be interesting to our readers. Mr. John Jay Knox, the comptroller of the currency, remarks, with a very allowable feeling of pride, on the accuracy and completeness of the statistics with regard to the National bank system, which he has been able to present to Congress. These statistics have, besides, the great merit that they are all made up to one uniform date in the year ever since the organization of the system. The first point which will attract attention is the rapid growth in the number of the National banks. This was due to the very favourable terms on which Mr. Chase, the founder of the system, allowed the "State" banks to re-organize themselves as "National" banks. The next point is the very large proportion which the capital of the National banks bears to their liabilities. In the statement which follows, respecting the progress of the National banks of America from 1863 to 1876, which we have derived from the report of the comptroller of the currency, we have added columns to show the proportion borne by the capital of the banks to their deposits taken by themselves, and to their liabilities of deposits and capital combined. As the circulation of the National banks is completely covered by the Government securities which are held against it, the circulation ought hardly from that point of view to be regarded as a liability at all, but we have shown the proportion of the capital to the deposits and circulation combined, as it will be convenient to our readers in referring to the proportion of these features in the accounts of other banks. The proportion which the capital of the National banks bears to their deposits, and also to their deposits and circulation combined, is a very high one when compared with the position of many other banks. It is undoubtedly much higher than that observed in most, perhaps in all, banks in Great Britain and Ireland. There is no doubt, though no complete statistics exist, that the proportion borne by the capital and reserves of the provincial banks in England to their liabilities is considerably higher than the similar proportion in the case of the metropolitan banks in England.

The information supplied by the principal issuing joint-stock banks on this point, published in the appendix to the report of the Select Committee of the House of Commons on banks of issue, in 1875, gave the proportion of their capital to their deposits as 24 per cent. The circulation was not included in this calculation, but as it was only £766,177, while the deposits were upwards of twenty-five millions, it would scarcely have affected the proportion in any appreciable degree. A statement as to the position of fifty-nine English provincial banks, issuing and non-issuing together, supplied at the same time as the last-named, gives a proportion of 18 per cent. between the capital and the total liabilities. This, though somewhat lower than the statement last referred to, is yet considerably higher than that of the metropolitan joint-stock banks, whose capital bore, in the latest statement to our hand, the proportion of about 11 per cent. to their total liabilities. Now, it is quite impossible to lay down a strict and uniform rule as to the proportion which should be borne by capital to liabilities in these cases. But one thing is certain, that in a country like America, in which trade is exposed to many and sudden vicissitudes, a high proportion between capital and deposits should always be maintained, and is a most necessary safeguard against the shocks to which credit is continually exposed.

But the capitals of the American National banks are menaced by a danger which would not have been anticipated. The large amount of taxation levied on them is out of proportion both to their profits and to the burdens of this nature imposed on any other kind of property in the United States. The weight of the taxation has also been enhanced both by the manner in which it has been enforced, and by the fact that banking profits have in America, as in Great Britain, been at a low point recently.

"The banks in the principal cities," Mr. Knox says in his report, "have, for three years past, held large amounts of currency at a dead weight, which greatly augments the nominal amount of deposits reported by them. There is no provision of law for disposing of this excess, either by funding, as originally authorised by the legal tender Act, or by redemption in specie, either of which would reduce the amount of circulation. The rate of interest prevailing has therefore been unprecedentedly low, the average rate in the city of New York, for the three years ending June 30th, 1876, having been 3·4 per cent. upon call loans, and 5·8 per cent. on commercial paper; while the average rate during the year has been 3·3 per cent. on call loans, and 5·3 per cent. on commercial paper. It is therefore seen that the

rate during the fiscal year of 1875-76 was somewhat less than the average rate for the three years mentioned.* The banks have thus held a large amount of money which could not be used at remunerative rates. The Government is receiving a revenue from the banks which is more than equal to all taxes paid by them before the war; while the States are also increasing the burdens which previously were as great as could be borne. Within the past two years seventy-one banks, and since the organization of the system two hundred and seven banks, have gone into voluntary liquidation, chiefly on account of excessive taxation, while during the last year fewer banks have been organized than in any previous year since 1869; and unless some favourable legislation is obtained a very considerable number of banks will retire from the system to engage in private banking. In previous reports the comptroller has called the attention of Congress to the fact that the amount of tax to which the National banks are subject (the average rate, including State and National, being about three and a half per centum per annum), is much greater than that imposed on any other capital in the country. The reason for this will be apparent when it is remembered that the data for the assessment and taxation of National banks can always be obtained from their published statements, while the amount of the capital of other corporations, private firms, and individuals, cannot be as accurately determined. The tax on bank deposits was essentially a war tax; and such impositions having been long since removed from every other similar interest, the comptroller is fully of the opinion that justice to all parties requires its removal from this one also. The recommendation for the repeal of the provision imposing a tax upon bank deposits, and also of the one requiring the affixing of a two-cent stamp upon bank checks, is renewed, if, in the judgment of Congress, a sufficient amount of revenue for the support of Government can be more equitably derived from other sources."—*Report of the Comptroller of the Currency*, p. 61.

The taxes on the National banks payable to the Treasury of the United States are "one per cent. annually on the average amount of notes in circulation, one-half of one per cent.

* The average rate of interest in New York city for the fiscal years ending June 30th, 1874-75-76, as ascertained from data derived from the *Journal of Commerce* and the *Financial Chronicle*, of that city, was as follows:—

1874, call loans, 3·8 per cent.; commercial paper, 6·4 per cent.

1875, call loans, 3·0 per cent.; comm. rial paper, 5·6 per cent.

1876, call loans, 3·3 per cent.; commercial paper, 5·3 per cent.

annually upon the average amount of deposits and upon the average amount of capital stock not invested in United States bonds." Besides this, every State in the Union, except California, levies taxes on the capital of the National banks within its boundaries. In consequence, the taxation has varied in the different States, having been in the State of New York as high as 5 per cent. on the amount of the capital of the banks.

A narrow, short-sighted policy of this description can produce but one result, and that is the reduction of the capital which is exposed to such an unfair weight of taxation. We mentioned in our February number the growth of joint-stock banking capital in Great Britain, which, as our figures showed, had advanced nearly two millions in 1876. But in New York there has been a movement in a contrary direction. The capital and surplus funds of the clearing-house banks in New York had attained in 1873 a total of about twenty-five millions sterling, but by October, 1876, these figures were reduced to about twenty-two millions and a half, with a prospect of a still further diminution. It is easy to understand how, in the midst of that terrible struggle for existence which racked for a time every joint and sinew of national life almost past endurance, the Government of the United States felt compelled to seize hold of every and any available basis for taxation, and hence fixed on the easily reached resources of the banks as a most valuable source of supply. But now that those dangers are happily passed, no adequate reason can be given for an impost which, if persisted in, will do as much—perhaps even more—to prevent the revival of the commercial strength of the country, as even a protectionist policy. There is nothing which conduces more to the prosperity of a country than a sound system of banking, and besides good management, which is of course understood, nothing is more essential to sound banking than sufficient and ample capital—capital large enough to enable depositors to feel they may rest on it in safety. Any measure which imperils the growth of banking capital for the sake of the taxes which may be levied on it, is indeed short-sighted. The old saying about the man who killed the goose which laid the golden eggs, rises to the mind. Homely as that proverb is, it may well be commended, at the present time, to the consideration of the Congress of the United States.

PROGRESS OF "NATIONAL" BANKS OF THE UNITED STATES
OF AMERICA FROM 1863 TO 1876.

The Statement below presents the principal items of the National Banks on or near October 1st of each year from 1863-1876, and is derived from a Table in the Report of the Comptroller of the Currency, 1876, p. 45.

[The dollar converted as = 4s. in this Table.]

Year	Number of Banks.	Capital.	Deposits.	Proportion of Capital to Deposits. Per cent.	Circulation.	Total of Deposits and Circulation.
		£	£		£	£
1863	66	1,437,760	1,700,000	84	..	1,700,000
1864	508	17,356,660	24,440,000	71	9,040,000	33,480,000
1865	1,513	78,631,440	100,180,000	78	34,260,000	134,440,000
1866	1,644	83,094,460	112,920,000	74	56,060,000	168,980,000
1867	1,642	84,014,680	108,160,000	78	587,800,000	166,940,000
1868	1,643	84,126,900	116,180,000	72	591,600,000	175,340,000
1869	1,617	85,279,820	102,280,000	83	587,200,000	161,000,000
1870	1,648	86,079,860	100,280,000	86	58,360,000	158,640,000
1871	1,790	91,651,140	120,180,000	76	63,100,000	183,280,000
1872	1,940	95,925,830	122,660,000	78	66,700,000	189,360,000
1873	1,976	98,214,620	124,540,000	79	67,820,000	192,360,000
1874	2,027	98,753,020	133,820,000	74	66,640,000	200,460,000
1875	2,087	100,965,950	132,920,000	75	63,680,000	196,600,000
1876	2,089	99,960,440	130,280,000	76	58,300,000	188,580,000

Year.	Proportion of Capital to Deposits and Circulation. Per cent.	Specie.	Other Lawful Money.*	Total.	Loans.
		£	£	£	£
1863	84	20,000	260,000	280,000	1,100,000
1864	52	..	8,960,000	8,960,000	18,640,000
1865	58	3,620,000	38,000,000	41,620,000	97,440,000
1866	49	1,840,000	41,160,000	43,000,000	120,660,000
1867	50	2,560,000	31,480,000	34,040,000	121,940,000
1868	48	2,600,000	31,200,000	33,800,000	131,540,000
1869	53	4,600,000	25,920,000	30,520,000	136,580,000
1870	54	3,700,000	24,540,000	28,240,000	143,180,000
1871	50	2,660,000	26,900,000	29,560,000	166,320,000
1872	50	2,040,000	23,800,000	25,840,000	175,440,000
1873	51	3,980,000	22,620,000	26,600,000	188,840,000
1874	49	4,240,000	27,980,000	32,220,000	190,880,000
1875	51	1,620,000	28,300,000	29,920,000	196,940,000
1876	53	4,280,000	25,620,000	29,900,000	186,260,000

* The Redemption Fund with the United States Treasurer is included for the years 1874, 1875, and 1876.

NATIONAL BANKS OF AMERICA, RESOURCES AND LIABILITIES,
2ND OCTOBER, 1876.

FROM THE REPORT OF THE COMPTROLLER OF THE CURRENCY.

[The dollar converted at 4s. in this Table.]

Resources.	New York City. 47 Banks.	Boston, Philadelphia and Baltimore. 99 Banks.	Other Reserve Cities. 90 Banks.	Country Banks. 1,853 Banks.	Aggregate. 2,089 Banks.
	£	£	£	£	£
Loans and discounts ..	..	..	..	95,833,866	185,514,996
On United States bonds on demand	1,255,498	168,628	206,326	..	..
On other stocks, bonds, &c., on demand	11,749,914	3,822,846	1,806,098	..	..
Payable in gold	867,612	13,236	637,112	..	..
On single name paper without other security	3,326,906	1,871,180	1,347,938	..	..
All other loans	19,648,714	27,719,320	15,240,849	..	..
Overdrafts	14,160	10,784	88,561	652,420	745,947
Bonds for circulation ..	3,847,500	9,140,240	4,632,850	49,813,490	67,424,080
Bonds for deposits	155,000	120,000	580,700	2,063,900	2,939,600
United States bonds on hand	3,327,000	1,022,740	797,720	1,580,970	6,623,430
Other stocks and bonds	2,012,368	742,890	579,629	3,544,143	6,869,032
Due from reserve agents	..	3,471,430	2,925,206	11,068,753	17,465,390
Due from other National Banks	3,163,818	1,883,271	1,263,300	3,194,628	9,505,018
Due from other banks and bankers	473,788	244,837	451,509	1,242,173	2,412,257
Real estate, furniture, and fixtures	1,757,220	1,277,606	974,697	4,614,866	8,624,388
Current expenses	197,084	174,850	193,072	832,723	1,397,529
Premiums	534,998	190,454	195,191	1,223,408	2,143,050
Cheques and other cash items	871,380	223,852	156,711	1,656,685	2,408,638
Exchanges for Clearing House	12,788,096	3,833,093	952,976	..	17,574,163
Bills of other national banks	249,806	719,146	866,794	1,846,316	3,182,062
Fractional currency ..	21,062	52,710	27,962	181,706	283,440
Specie	2,915,314	564,900	239,476	553,243	4,272,154
Legal tender notes	5,580,476	2,890,588	2,432,652	5,946,718	16,850,169
United States certi- ficates of deposit	3,473,000	1,534,000	581,000	256,000	5,834,000
Five per cent. redemp- tion fund	165,838	407,344	199,426	2,168,666	2,941,375
Due from United States treasurer	48,246	147,939	36,242	175,089	407,465
	77,844,770	62,247,564	36,912,995	188,447,724	365,453,073

NATIONAL BANKS OF AMERICA, RESOURCES AND LIABILITIES,
2ND OCTOBER, 1878.

FROM THE REPORT OF THE COMPTROLLER OF THE CURRENCY.

[The dollar converted at 4s. in this Table.]

LIABILITIES.	New York City, 47 Banks.	Boston, Philadelphia and Baltimore. 99 Banks.	Other Reserve Cities. 90 Banks.	Country Banks. 1,853 Banks.	Aggregate. 2,089 Banks.
	£	£	£	£	£
Capital stock	18,280,000	16,177,397	9,401,100	61,101,949	99,960,446
Surplus fund	8,785,230	4,508,149	2,971,770	15,175,808	26,440,456
Undivided profits	1,779,442	945,858	790,966	5,772,778	9,289,043
National bank notes outstanding	2,966,557	7,640,417	4,082,973	43,668,857	58,308,804
State bank notes out- standing	15,580	18,496	6,559	88,789	124,404
Dividends unpaid	42,456	292,490	86,660	397,500	771,107
Individual deposits	86,812,683	24,220,846	18,437,180	55,806,333	130,277,042
United States deposits	55,938	55,544	266,162	1,078,716	1,451,360
Deposits of United States' disbursing officers	29,014	2,946	188,720	593,675	749,356
Due to national banks	14,362,968	6,451,019	3,142,587	2,850,629	26,807,193
Due to other banks and bankers	4,704,982	1,482,759	2,314,836	1,147,494	9,650,023
Notes and bills redis- counted	..	22,683	117,880	752,319	892,883
Bills payable	10,000	428,980	208,601	583,877	1,230,956
	77,844,770	62,247,584	56,912,995	188,447,724	365,453,073

Besides the 2,089 National Banks whose capital is, as will be
seen from the table £99,960,446

With deposits from customers of 130,277,042

£230,237,488

4,509 other Banks, State Banks, Private Banks, and Savings
Banks made their returns also to the Commissioner of
Internal Revenue.

Their capital is stated as £43,806,160

And their deposits as 272,366,906

£316,173,066

HISTORY OF BANKING IN SCOTLAND.

(Continued from January Number.)

The Dumfries Commercial Bank stopped payment in 1808, after four years' existence, and paid about 10s. in the £.

The only event of the next year, 1809, was the foundation of the Glasgow Bank Company in the month of June.

The year following was more stirring, as two banks were instituted. In March the East Lothian Banking Company, which had an existence of short duration, and in November the Commercial Bank of Scotland, were set on foot. In the latter we have an instance of a great Scotch bank owing its origin to party politics, like the Bank of England, and both due to the Liberal or Whig party. This is a curious fact, as politics and banking appear to have so little in common. In those palmy days of the old Tory régime it was alleged that the existing banks flavoured their business with politics, and the dissatisfaction thus caused gave birth to one of the most successful of our existing banks. The commencement of the company dates from 25th March, 1810, but it was not till 12th November of that year that they commenced business. At first great opposition had to be encountered from the older establishments, but through able management during the whole of the bank's career it has attained as great eminence in the estimation of the public as any of its rivals. By the original contract the company was to continue forty-five years from 25th March, 1810, or for such period as might afterwards be determined, and the capital, which might be enlarged by a general meeting of proprietors, was fixed at £3,000,000. The head office was originally in Picardy Place, Edinburgh, afterwards removed to the High Street, and is now located on the site of the old Physicians' Hall in George Street. The bank obtained a Royal Charter in 1831. The paid-up capital is now £1,000,000 in £500 shares, of which £100 is paid. The price of the stock is at present* £318, and the rate of the last dividend is 13 per cent. and 2 per cent. bonus.

Late in the session of this year the famous Bullion Report of the Committee of the House of Commons, appointed to enquire into the causes of the high price of gold bullion and its effect on the circulating medium, was presented to Parliament; but it was not considered till the next year, 1811, when it was rejected and the resolutions of Mr. Vansittart adopted instead.

The Caithness Banking Company, a private bank, commenced business in October, 1812, and was given up in 1825.

During the years 1812-16 several local banks came to grief.

* 30th December, 1876.

Scott, Smith, Stern & Co., founded in 1795, failed in 1812, and paid only 12 per cent. David Paterson, of Costerton, failed in 1813, and paid about 14s. of a dividend. He was in business in 1804. The chief failure was that of the Falkirk Union Bank, which was started in 1803 with a capital of £12,000, and sequestrated in October, 1816. The stoppage was caused by large failures in the cattle trade consequent on the sudden fall in value of live stock after the peace of 1815. The liabilities were about £51,000, on which the dividend was 9s. 6d. in the £. At first the company consisted of fourteen partners, afterwards increased to twenty, mostly farmers and small landowners near Falkirk, and all men completely ignorant of business, and their manager had been trained as a clerk in a country writer's office.

In 1813 or 1814 the Merchant Bank of Stirling, founded in 1784, suspended payment, with liabilities to the amount of £50,140, which were all eventually paid. The public never were favourably inclined towards this bank, to which the sobriquet of "Black in the West" was applied.

The Montrose Bank was formed in May, 1814, and existed until 1829.

The East Lothian and the Fife Banking Companies also failed about this period, but the proprietors of both raised money on the security of their private funds and the creditors were paid in full. The dates when they ceased to carry on business are respectively stated as 1822 and 1826 in the Parliamentary Return, relating to the Scotch banks, ordered by the House of Commons to be printed on 29th April, 1864.

In 1818 the clause in the charter of the Bank of Scotland giving the privilege of naturalization to foreigners who purchased the stock was repealed, as many had taken advantage of this easy method of becoming British subjects. In the same year the private bank of John Maberly & Company, or the Aberdeen, Montrose, Dundee, Edinburgh, and Glasgow Exchange Deposit Bank, was instituted, and discontinued business in 1832, when it failed, and has since paid 4s. 5d. in the pound.

In October, 1821, the Galloway Banking Company, or Sir H. Douglas, Bart., J. Napier & Co., and the Kilmarnock Banking Company, both ceased to transact business.

The well-known house of Ramsay, Bonnarand & Co. began business in March, 1822, and became extinct fifteen years later, in 1837.

Four banks arose in Scotland in 1825. The Aberdeen Town and County Bank commenced in the month of April with a paid-up capital of £150,000, now increased to £252,000, on which it pays 12½ per cent. of dividend. The shares are £20, on which £7 are paid up, and now fetch about £21. 15s. each.

This was followed by the Arbroath Banking Company in May, with a capital of £40,000 paid up. The business of this bank was taken up by the Commercial Bank of Scotland in 1844.

The National Bank of Scotland commenced business in May of this year, the contract being dated 25th March. The nominal capital is now £5,000,000, of which only £500,000 were paid up, but at the present date the paid-up capital stands at £1,000,000. Like the Commercial Bank it obtained a charter in 1831. Its business has been most successful and remunerative, the shares at present fetching £318, and the dividend is 15 per cent. inclusive of bonus of 2 per cent.

The Dundee Commercial Bank was opened in August, 1825, and ceased to transact business in 1838. The close of 1825 was marked by a severe panic, which commenced with the failure of Sir Peter Pole & Co. in December, and was at its height from Monday the 12th to Saturday the 17th of that month. Eighty private banks stopped in England, bringing up the number of failures among these establishments since 1780 to over 400. In Scotland, according to the Parliamentary Return already referred to, three banks ceased to exist in 1826, viz., the Falkirk Banking Company, of which Mr. Ramsay, of Kersehill, was the principal partner, and whose business was transferred to the Bank of Scotland, being quite a solvent concern; the Fife Banking Company, which paid its creditors in full; and the Stirling Banking Company, which was sequestrated, and had been founded in 1777. It also repaid its creditors in full. Government attempted to extend the provisions of 7 Geo. IV., c. 6, which abolished notes under £5 in England, to Scotland also; but it met with such a storm of opposition in this country, that after Committees of both Houses of Parliament had been appointed and their reports received, the attempt was abandoned. Both Committees reported adversely to any legislative interference, and the Lords' Committee stated "that the Banks of Scotland, "whether chartered or joint-stock companies, or private establishments, have for more than a century exhibited a stability "which the committee believe to be unexampled in the history "of banking; that they supported themselves from 1797 to "1812 without any protection from the restriction by which the "Bank of England and that of Ireland were relieved from cash "payments; that there was little demand for gold during the "late embarrassments in the circulation; and that in the whole "period of their establishment there are not more than two or "three instances of bankruptcy. As during the whole of this "period a large portion of their issues consisted almost entirely "of notes not exceeding £1 or £1. 1s., there is the strongest "reason for concluding that, as far as respects the banks of "Scotland, the issue of paper of that description has been found

“compatible with the highest degree of solidity ; and that there is not, therefore, while they are conducted upon their present system, sufficient ground for proposing any alteration with the view, of adding to a solidity which has so long been sufficiently established.” Sir Walter Scott, as “Malachi Malagrowther,” raised his powerful voice against the abolition of the one-pound notes.

The Ayrshire Banking Company was instituted in April, 1830, and was afterwards absorbed by the Western Bank of Scotland in 1847. The Glasgow Union Bank was also established in this year.

In July, 1832, the famous Western Bank of Scotland was commenced with a capital of £1,000,000 in 20,000 shares of £200 each, of which £50 were paid up. We shall trace the history of this bank when pointing out the causes of its fall.

James and Robert Watson, of Glasgow, were sequestrated in 1832, and paid about 4s. 9d. in the £.

The Aberdeen Commercial Bank ceased to carry on business in 1833, when it joined the National Bank of Scotland.

The next bank that came into existence was the Central Bank of Scotland, which dates from May, 1834, and existed until 15th August, 1863, when it was merged in the Bank of Scotland. The head office was in Perth.

In 1834 three private banks failed, viz., (1) the firm of Kinnears, Smiths & Co., which was formed by the junction, in 1831, of Thomas Kinnear & Son, established in 1748, and Donald, Smith & Co., who began business about 1791. Mr. Thomas Kinnear died before the amalgamation, and Mr. Alexander Smith, the senior partner, was killed in 1833 by the fall of the floor at the sale of the effects of Lord Eldin, one of the Lords of Session, in Lord Eldin's house, in Shandwick Place, Edinburgh. They paid a composition of 11s. in the £. (2) Robert Allan & Son, formed in 1800 by the union of Allan & Stewart, founded 1781, and Robert Allan founded 1791. They paid at least 4s. in the £. (3) James Inglis & Co., who in 1816 succeeded Inglis, Borthwick, Gilchrist & Co., established in 1807. About 10s. in the £ was paid by this firm.

The North of Scotland Banking Company began in November, 1836 with a capital of £250,000 in 50,000 shares of £20 each, £5 paid ; the capital has since been raised to £393,600 in 98,400 shares of £20, on which £4 are paid. The dividend is 12½ per cent, and price of shares £12. Its head office is in Aberdeen. Another company was projected the same year, called the City Banking Company of Glasgow, but not receiving sufficient support fell to the ground. The Perth Union Bank, started in 1810, gave up business in this year, and a private bank, named the Thistle, was amalgamated with the Glasgow Union Bank Company.

In November, 1837, the Paisley Banking Company ceased to carry on business. This was a private banking company, and was in existence in 1808. The house of Ramsay, Bonnar & Company also gave up business in the same year, and the Glasgow Bank Company, and the Ship Bank or Carrick, Brown & Company, were united under the name of the Glasgow and Ship Bank, which was absorbed by the Glasgow Union Bank in 1838.

The next year, 1838, was rife with banking speculations, seven new companies being established in that year, namely, the Clydesdale, Southern, Eastern, Caledonian, Edinburgh and Leith, Paisley Commercial and the Isle of Man Commercial.

The Clydesdale Banking Company was formed in May "on principles which will enable the capitalist, merchant, manufacturer, and tradesman to participate in the benefit of banking operations," with a capital of £500,000, in 50,000 shares of £20, on which £10 were paid. This has since been raised to £1,000,000, in £100 shares fully paid. The shares were applied for three times over, and went to 15s. premium before the payment of the first call. This has also been a very successful bank, and the shares are quoted at £277, bearing a dividend of 14 per cent.

A large part of the prospectus of the Southern Bank was borrowed from that of the abortive City Banking Company of Glasgow. The capital was £125,000, in 25,000 shares of £20 each, £5 paid, and the shares commanded a premium of 2s. 6d., although the demand for them was not very great. This Bank existed until 1842, when it united with the Edinburgh and Leith Bank,

The Eastern Bank of Scotland commenced business in July with a capital of £600,000, in 40,000 shares of £25 each, on which £15 were paid up, and was incorporated with the Clydesdale Banking Company in 1863.

But the bank in whose shares the largest amount of speculation took place was the Edinburgh and Leith Bank. The capital was £500,000, in 100,000 £5 shares fully paid. These went to 5s. premium the instant they were thrown on the market, and 2,000 to 3,000 shares often changed hands in a single day. Three years after they stood at 17s. premium.

Several banks also stopped business in 1838. A private bank called the Dundee New Bank joined the Dundee Banking Company, and the Dundee Commercial Bank also disappeared from the list. The Paisley Union Bank and the old house of Sir William Forbes, J. Hunter & Co., became united with the Glasgow Union Bank Company.

The City of Glasgow Bank dates from January, 1839, and the Caledonian Banking Company, whose head office is in Inverness, is one month younger, having commenced business in February. The capital of the former is now £1,000,000, and the subscribed capital of the latter £600,000, in shares of £10, of which

£2. 10s. per share, or £150,000 are paid up. The City of Glasgow stock is worth £228, with a dividend of 11 per cent., and the Caledonian shares fetch £7. 7s. 6d., with a dividend of 12 per cent. and a bonus of 2 per cent.

The Glasgow Joint Stock Bank was founded in 1840 and met with great encouragement. It united with the Edinburgh and Leith Bank in 1844, as the Edinburgh and Glasgow Bank.

Three banks were sequestrated in September, 1842. These were, 1st, the Leith Bank Company, founded 1792, which paid about 13s. 4d. in the pound; this was really a private bank (although it appears in the Parliamentary Return of 1864, already referred to, as a Joint Stock Bank), having at the time of its sequestration only three partners, one in Galashiels, one in Leith, and one in Edinburgh. It was for long in good credit, had a considerable amount of deposit-money, especially in Callander and neighbourhood, and was a Bank of Issue, its notes being largely circulated; 2nd, the Renfrewshire Banking Company, founded 1802, which yielded from 7s. 6d. to 9s. 2d. in the pound, and 3rd, the Shetland Bank (Messrs. Hay and Ogilvie), Lerwick, whose dividend was a little over 5s.

In 1843 the Union Bank of Scotland was formed. As the name implies, this was an amalgamation of banks already in existence, the parent bank being the Glasgow Union, which had previously united with Sir William Forbes's and others. In this year the Ayr Bank, or Hunters and Company, was incorporated with them under the present name of the Union Bank of Scotland. The capital now amounts to £1,000,000, and the stock fetches £279 per cent., paying a dividend of 13 per cent.

The year 1844 was marked by the formation of the Edinburgh and Glasgow Bank in the month of May, by the union of the Edinburgh and Leith and Glasgow Joint Stock Banks; the Commercial took up the business of the Arbroath Banking Company, and the Dundee Union Bank was merged in the Western. The Act 7 and 8 Victoria, cap. 32, which regulates the issue of the Bank of England to the present time, came into force on 31st August, 1844; and (the next year) the Act 8 and 9 Victoria, cap. 38, was passed on 21st July, 1845, "to regulate the issue of bank-notes in Scotland." The Western Bank in this year absorbed the Greenock Bank Company.

The panic of 1847 does not appear to have affected the Scotch banks to any great extent, as the only change to record in that year is the amalgamation of the Ayrshire Banking Company with the Western Bank.

In 1854 the Aberdeen Banking Company, and in 1857 the Perth Banking Company were received into the arms of the Union Bank of Scotland.

The panic of this latter year (1857), culminated in the stoppage of two Scotch banks, the Western and the City of Glasgow. The latter, however, was able to resume business after being closed for a month, for on investigation only £70,000 of the paid up capital of more than £800,000 were found to have been lost. But the case of the Western Bank was infinitely worse. It began business in 1832, and next year had a paid up capital of £209,170, which increased gradually until 1849, when it amounted to £1,792,850. A number of shares which had fallen into the possession of the Bank were, in 1852, written off against capital, thus reducing the amount to £1,500,000, at which it finally remained. On investigation it was found that not only all the capital, but a nearly equivalent sum besides, had been lost during the 24 years of the bank's existence. This enormous loss of nearly £3,000,000 sterling was incurred through a course of procedure diametrically opposed to the system followed by all the well-conducted Scotch banks; so that the attacks, made at the time, on the Scotch system generally, were totally unmerited, and had no foundation on fact. The directors of the Western bank did not keep a sufficient reserve in London, either in cash or in marketable securities, but laid out their funds in discounting local paper to such an extent, that in 1834 Jones, Loyd & Co., their London agents, dishonoured their drafts. The other Scotch banks thereupon refused their notes, and it was only on the distinct assurance of better management in future that £100,000 was advanced by them to enable the Western Bank to purchase the securities necessary to tide over the pressure. But the promise thus given was not kept, and when the directors applied to the Board of Trade in 1838 for a grant of Letters Patent, a memorial was presented by the Bank of Scotland, the British Linen Company, the Commercial and the National Banks against it, on the ground that if the application were granted it would be "a public sanction and countenance of a new and mischievous principle, opposed to the banking system of Scotland." The application was not granted.

In 1847 the Western Bank had to borrow £300,000 from the Bank of England; this was repaid in 1848, and the management continued to be rather better till 1852, when it was changed, and the practice of re-discounting increased to a great extent. In 1852, with £13,525,332 of discounts, the amount re-discounted was £407,143; the next year, with nearly 15 millions of discounts, it had reached £1,682,320, while in 1856 with nearly 20½ millions of discounts, the re-discounts had increased to the enormous sum of almost 6½ millions. This is a practice which Mr. Macleod characterises as "most perilous" and one "which places the existence of any institution that

"depends upon it to any great extent, at any moment at the mercy of the will, the caprice, or any accident that may happen to the purchasers of its bills." Other instances of reckless mismanagement were not, however, wanting. The four firms of D. & J. Macdonald & Co., John Menteith & Co., J. & W. Wallace, and Godfrey Pattison & Co. helped largely to bring down the bank. In 1852 they owed the bank sums amounting in the aggregate to £193,394, which had increased at the time of the failure to no less than £1,603,725, the largest part consisting of accommodation bills, which were dishonoured at maturity. A great deal of information regarding these and other accounts is also given in the voluminous Report by Mr. Pearson to the Court of Session in the action by the Liquidators of the Bank *v.* Baird's Trustees.

In September, 1857, the directors asked Mr. Fleming, the law secretary, to assume the management of the bank, on the resignation of Mr. John Taylor. An examination of the books had been made, which, on the supposition that the firms before referred to were solvent, and their debts good, showed a loss of £327,000 of capital, besides which there were advances to shareholders, owning 7,626 shares, to the extent of £988,487. On examining the accounts of the firms in question, Mr. Fleming ascertained that they had been dealing in accommodation bills, when no alternative was left but to close their accounts at once. This brought down these firms and created a panic on the Stock Exchange, on 10th October, followed by a slight run on the bank, which paid away £36,000 in coin, during the ensuing week; but the total demand for gold from 10th October to 7th November, the Saturday before the stoppage, was only £44,000. During the same period *deposits* were withdrawn to the amount of £1,280,000, of which all but the £44,000 paid in coin was paid in notes of the bank, thereby proving that the *note* circulation did not in any manner increase the panic, as the opponents of a small note currency have so often urged would be the case. At the time of stoppage, on 9th November, there were no less than £720,000 of the bank's notes in the hands of the public.

But there was yet another source of heavy loss to the bank. They had entered into large exchange operations with America, where their agents, James Lee & Co., of New York, had lent large sums on railway and other securities. In this way £376,520 were locked up at the date of suspension.

On 15th October Mr. Fleming became manager, and it was necessary at once to provide funds to meet the £317,000 of current acceptances and the anticipated demands of the depositors. On the 21st, application was made to the Bank of Scotland for aid, but at a meeting of the Edinburgh banks on 23rd October assistance was refused until after application had been

made to the Bank of England. This was accordingly done, and help denied. The refusal was telegraphed to Edinburgh, when the banks agreed to advance £500,000, on condition that the Western Bank should be wound up. This condition was ultimately abandoned, and the money advanced on the 29th in exchange for a promissory note for £510,000, to be repaid six months thereafter in consols at market price. The Clydesdale also advanced £100,000 on a similar note, with the directors' personal guarantee, which was discounted at the current rate of 8 per cent. The impending disaster had thus apparently been averted, whatever might have afterwards been rendered necessary on completing the investigation of the bank's affairs; but on 29th October the *Times* stated that the Edinburgh banks had agreed to help the Western Bank out of their difficulties, on condition that they should wind up the concern. This caused a run on the bank on the 30th, by traders having large balances at their credit hastening to close their accounts in order to open fresh ones with other banks, that they might not be deprived of the power of obtaining accommodation when the Western Bank closed. These balances being withdrawn in the Western Bank's own notes caused the exchange with the other banks to be heavily against the Western Bank, who had no funds to purchase Exchequer Bills to pay their balance on Saturday, November 7th. A further loan had been solicited from the Edinburgh banks, but was refused, and on the Sunday the latter resolved to instruct their agents not to accept Western Bank notes as soon as the inability of the Western Bank to meet the adverse balance was declared. A proposal was made to the Clydesdale Bank for amalgamation on the Saturday, discussed and declined by them on Monday, the 9th, and at 2 p.m. of that day the Western Bank shut their doors.

The City of Glasgow Bank had been doing a business similar to that transacted by the Western. The stoppage of the latter caused a run on the branches of the former on the evening of the 9th, which continued on Tuesday, the 10th, and exhausted their resources, so they did not open on Wednesday, the 11th. Glasgow was in such a ferment that troops were kept under arms, and the magistrates issued a proclamation requesting the citizens to take the notes of all the banks, and not to press them for payment, and the city collectors were instructed to accept both Western Bank and City of Glasgow Bank notes. Gold was sent from London, and by 2 p.m. on Wednesday the run had entirely ceased. It had been caused solely by the ill-advised action of the other banks in refusing the notes of the Western Bank. As soon as they resolved to accept these, the run subsided completely, and the demand for gold was confined to the small *depositors*, not the note-holders. The City of Glasgow Bank resumed business

about a month afterwards, and the only large mercantile failure connected with Scotland was that of Dennistoun and Co., of Liverpool, London, and Glasgow, whose stoppage was only temporary. In England the Liverpool Borough Bank, the Northumberland and Durham Bank, and the British Bank were broken by the panic.

In June, 1858, the Edinburgh and Glasgow Bank was incorporated with the Clydesdale, and was followed by the Eastern in 1863, and in 1864 the Dundee Banking Company was united to the Royal Bank of Scotland, after a separate existence of a century.

In 1866 there was widespread dismay caused by the stoppage of the Joint Stock Discount Company, then followed Barned's Bank in Liverpool, culminating on "Black Friday," the 11th May, with the news of the suspension of the great house of Overend, Gurney, and Co., with liabilities upwards of £10,000,000. These were followed by the English Joint Stock Bank, the Imperial Mercantile Credit Company, the European Bank, the Bank of London, the Consolidated Bank, and finally the Agra and Masterman's Bank. The Consolidated Bank very soon resumed business, however, and the London Branch of the Agra Bank was shortly resuscitated. Happily the Scotch banks survived this terrible period, when so many perfectly solvent establishments tottered and fell. But, not content with their original field, several of them have invaded England, the Bank of Scotland having opened a branch in London in 1867, the National in 1864, and the Royal on 10th August, 1874, and now the Clydesdale has broken ground in the northern towns of England, having opened branches during the year 1874 in Carlisle, Workington, and Whitehaven. The policy of thus crossing the border is, however, understood not generally to be viewed with favour by the other banks. The chief result has been the appointment of the Select Committee of the House of Commons on Banks of Issue, whose report was published in 1875, of which a summary appeared in the *Bankers' Magazine* during that year.

We have noticed that the periods of panics were 1772, 1793, 1797, 1816, 1825, 1836, 1847, 1857, and 1866, and should the apparent law of decennial recurrence really exist, we may look for another shortly—in fact, the last eighteen months have brought us through what is not inaptly styled "a suppressed panic;" but let us hope that, with increasing experience and the sad lesson of former losses and sufferings, the Scotch banks may continue their course of wise and cautious management, that history in this respect may not repeat itself.

A statement, showing the position of the Scotch banks in the year 1876, from the published accounts issued by them, accompanies this paper.

STATEMENT SHOWING THE POSITION OF THE SCOTCH BANKS AT THE CLOSE OF THE YEAR 1876,
COMPILED FROM THEIR ABSTRACT BALANCE SHEETS, &c.

No.	Name of Bank.	LIABILITIES.									
		Deposits.		Drafts payable within 15 or 21 days.		Acceptances.		Notes in circulation.		Total Liabilities to Public.	
		£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
1	1695 Bank of Scotland.....	10,459,017	8 1	187,522	19 6	1,977,086	4 11	601,496	14 0	13,226,123	6 6
2	1727 Royal Bank of Scotland.....	10,804,786	17 2	179,254	18 4	509,376	13 5	742,677	0 0	12,236,095	8 11
3	1746 British Linen Company Bank...	7,891,196	11 1	233,615	9 8	223,938	10 10	517,244	0 0	8,665,984	11 2
4	1810 Commercial Bank of Scotland..	9,447,073	16 7	..	..	(^b) 521,199	4 10	816,864	0 0	10,785,197	1 5
5	1825 National Bank of Scotland ..	11,155,957	4 4	232,161	2 4	1,099,344	4 10	701,986	7 0	13,189,398	18 6
6	1830 Union Bank of Scotland.....	9,643,800	14 6	259,650	19 5	166,942	17 0	748,687	0 0	10,819,081	10 11
7	1825 Aberdeen Town and County Banking Company	1,854,708	6 5	..	..	..	..	220,113	0 0	2,074,821	6 5
8	1836 North of Scotland Banking Co.	2,699,189	9 2	..	..	..	..	353,925	0 0	3,053,114	9 2
9	1838 Clydesdale Banking Company...	6,899,700	11 6	144,132	11 0	392,611	19 6	568,621	0 0	7,885,066	2 0
10	1839 City of Glasgow Bank.....	8,364,056	18 5	326,863	14 1	988,520	3 0	(^{1a}) 860,385	0 0	10,539,785	15 6
11	1838 Caledonian Banking Company .	1,137,908	2 3	..	..	..	..	135,260	0 0	1,273,163	2 3
		£80,297,380	19 6	£1,563,191	13 11	£5,819,019	18 4	£6,267,179	1 0	£93,946,771	12 9

No.	Name of Bank.	LIABILITIES.									
		Paid-up Capital.		Reserve Fund or Rest.		Set apart for Dividend.		Applied to reduce cost of Buildings.		Balance of Profit and Loss carried forward.	
		£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
1	1695 Bank of Scotland.....	1,000,000	0 0	410,000	0 0	70,000	0 0	..	..	16,727	9 10
2	1727 Royal Bank of Scotland.....	2,000,000	0 0	500,000	0 0	95,000	0 0	..	..	86,680	18 1
3	1746 British Linen Company Bank...	1,000,000	0 0	350,000	0 0	180,000	0 0	5,000	0 0	80,592	7 1
4	1810 Commercial Bank of Scotland..	1,000,000	0 0	(^a) 416,544	14 3	85,000	0 0	2,000	0 0	..	..
5	1825 National Bank of Scotland ..	1,000,000	0 0	428,000	0 0	150,000	0 0	..	..	16,350	1 4
6	1830 Union Bank of Scotland.....	1,000,000	0 0	300,000	0 0	180,000	0 0	..	..	9,504	18 10
7	1825 Aberdeen Town and County Banking Company	252,000	0 0	115,000	0 0	34,650	0 0	1,500	0 0	(¹) 120,000	0 0
8	1836 North of Scotland Banking Co.	398,600	0 0	201,686	0 0	24,600	0 0	1,000	0 0	(²) 1,000	0 0
9	1838 Clydesdale Banking Company...	1,000,000	0 0	500,000	0 0	500,000	0 0	..	..	4,494	5 0
10	1839 City of Glasgow Bank.....	1,000,000	0 0	450,000	0 0	110,000	0 0	5,000	0 0	9,414	12 3
11	1838 Caledonian Banking Company .	150,000	0 0	75,000	0 0	21,000	0 0	5,500	0 0	21,365	10 8
		£9,795,600	0 0	£3,746,230	14 3	£990,250	0 0	£20,000	0 0	1,048	10 1
										£272,094	18 3

(3) Including Drafts outstanding. (12) In Scotland and the Isle of Man. (13) After providing for Dividend and Bonus and £21,000 in reduction of cost of Bank Buildings. (14) £207,000 transferred from rest, and £23,000 from year's profits to meet losses by Collie & Co., &c. (15) Superannuation Fund for the Bank's Officers.

Foundd.	No.	Name of Bank.	LIABILITIES.			ASSETS.						
			Total Liabilities to Proprietors.		Total Liabilities.	Bills discounted, Cash Accounts and other advances.		Bank Buildings.	Government Stocks, Short Loans and Cash with London Bankers.			
			£	s. d.	£	s. d.	£	s. d.	£	s. d.		
1	1695	Bank of Scotland.....	1,498,727	9 10	14,723,850	16 4	8,814,993	18 2	193,099	3 8	3,091,321	1 0
2	1727	Royal Bank of Scotland.....	2,631,680	18 1	14,867,776	7 0	(1) 1,977,086	4 11	(3) 216,782	5 5	2,785,141	8 0
3	1746	British Linen Company Bank..	1,515,592	7 1	10,381,576	18 3	7,535,678	18 4	136,217	16 0	(1,677,422	4 8
4	1810	Commercial Bank of Scotland..	1,603,544	14 3	12,298,681	15 8	8,319,576	15 0	154,424	6 1	2,508,416	18 9
5	1825	National Bank of Scotland.....	1,594,350	1 4	14,783,748	19 10	10,056,045	13 8	128,500	0 8	8,213,711	6 4
6	1830	Union Bank of Scotland.....	1,559,504	18 10	12,378,586	9 9	9,037,455	6 7	158,731	14 8	1,802,470	8 10
7	1825	Aberdeen Town and County Banking Company	407,068	5 6	2,481,887	11 11	1,829,413	9 7	40,212	8 10	(*) 249,287	14 4
8	1836	North of Scotland Banking Co.	625,360	5 0	3,678,494	14 2	2,683,183	11 9	53,800	2 9	444,523	16 4
9	1838	Clydeale Banking Company...	1,649,414	12 3	9,534,480	14 3	(12) 5,013,643	18 10	127,081	4 1	(15) 1,571,279	6 10
10	1839	City of Glasgow Bank	1,486,365	10 8	12,126,151	5 9	(13) 1,906,065	10 2	(14) 63,580	0 0	(20) 2,218,868	13 7
11	1838	Caledonian Banking Company..	252,548	10 1	1,525,711	12 4	8,787,804	17 9	(19) 266,565	10 1	(21) 349,903	5 7
			£14,824,175	12 6	£108,770,947	5 8	£77,494,195	0 8	£1,559,594	4 1	£19,912,295	13 10

No.	Founded.	Name of Bank.	Gold and Silver Coin and Notes of other Banks.			Bank of England and other Stocks and Securities.			Total Securities.			Total Assets.			Balance Sheet dated.
			£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	
1	1865	Bank of Scotland	459,337	4	5	(2) 188,013	4	7	9,738,671	10	0	14,723,850	16	4	29th Feb., 1876.
2	1727	Royal Bank of Scotland	741,737	16	7	697,536	14	5	4,164,415	14	0	14,867,776	7	0	22nd Sept. 1876.
3	1746	British Linen Company Bank...	307,067	1	0	665,190	18	8	2,649,630	8	11	10,341,576	18	3	15th April, 1876.
4	1810	Commercial Bank of Scotland...	748,741	16	0	557,521	19	10	3,814,680	14	7	12,288,681	15	8	31st Oct., 1876.
5	1826	National Bank of Scotland	658,879	14	11	726,612	5	4	4,599,203	6	7	14,783,748	19	10	1st Nov., 1876.
6	1830	Union Bank of Scotland	508,786	0	2	851,143	4	6	9,162,399	8	6	12,378,586	9	9	1st April, 1876.
7	1825	Aberdeen Town and County Banking Company	(10) 863,023	19	2	..	..	..	612,261	13	6	2,481,887	11	11	91st January, 1876.
8	1836	North of Scotland Banking Co.	(10) 295,301	3	4	(11) 201,686	0	0	941,510	19	8	3,678,494	14	2	30th Sept., 1876.
9	1838	Clydesdale Banking Company...	(16) 852,230	14	4	..	..	..	2,423,510	1	2	9,534,480	14	3	21st Dec., 1875.
10	1839	City of Glasgow Bank	862,812	4	4	..	..	..	8,081,680	17	11	12,126,151	5	9	7th June, 1876.
11	1838	Caledonian Banking Company.	(23) 179,240	5	1	..	..	..	529,143	10	8	1,595,711	12	4	30th June, 1876.
			£5,977,157	19	4	£3,827,704	7	4	£29,717,158	0	6	£108,770,947	5	3	

(1) Liabilities of Banking and other customers for advances by the Bank as per contra. (2) Indian Government and other Stocks and Investments. (3) Including London property 479,815, 74d. less mortgage 554,000 = 239,815, 74d. (4) Bank of England and other securities. (5) Including other securities. (6) Credit balances due by other Banks. (7) Investment of Reserved Fund, Consols, Bank of England and Canadian Government Bonds. (8) Bills discounted. (9) Including "other securities," and excluding cash balances with London and Country Banks. (10) Including Cash Balances with London and Country Banks. (11) Including advances on Heritable Property. (12) Including "other securities." (13) Government and other securities. (14) Including Balances due by Banking correspondents.

No.	Name of Bank.	Net Profits for year.	Rate per cent. of		Market price at 31st Dec., 1874. (28)	Return to a purchaser at Market price
			Dividend.	Bonus.		
		£ s. d.				£ s. d.
1	1695 Bank of Scotland	172,234 4 8	14	..	315	4 8 10
2	1727 Royal Bank of Scotland	199,304 15 8	9½	..	287½	4 0 0
3	1746 British Linen Company Bank	150,281 6 8	13	..	300	4 6 8
4	1810 Commercial Bank of Scotland	155,538 2 6	13	2	318	4 14 4
5	1825 National Bank of Scotland	167,698 12 11	13	2	318	4 14 4
6	1830 Union Bank of Scotland	156,309 4 3	13	..	279	4 13 2
7	1825 Aberdeen Town and County Banking Company	87,982 6 7	12½	1½	21½	4 8 0
8	1836 North of Scotland Banking Co.	52,309 12 1	12½	..	12½	3 18 5
9	1838 Clydesdale Banking Company	(17) 145,280 17 0	14	..	277	5 1 1
10	1839 City of Glasgow Bank	125,762 14 1	11	..	228	4 16 6
11	1838 Caledonian Banking Company	24,186 5 7	12	2	7½	4 13 4
		1,386,888 1 7	Average dividend & bonus 13.169 per cent.		Average market price per share	Average return to a purchaser £4 10s. 5d. per cent.
No.	Name of Bank.	Dividends payable.	Number of Partners.	Number of Offices.		Premium per cent. above par.
				At date of Report.	At 31st Dec., 1876. (28)	
1	1695 Bank of Scotland	April and October	1,435	89	93	215
2	1727 Royal Bank of Scotland	June and December	1,454	107	107	137.5
3	1746 British Linen Company Bank	June and December	1,238	75	77	200
4	1810 Commercial Bank of Scotland	January and July	1,319	104	104	218
5	1825 National Bank of Scotland	January and July	1,739	93	93	218
6	1830 Union Bank of Scotland	May and November	1,330	120	120	179
7	1825 Aberdeen Town and County Banking Company	March and September	918	48	52	212.5
8	1836 North of Scotland Banking Co.	May and November	1,992	53	53	218.75
9	1838 Clydesdale Banking Company	February and August	1,468	83	83	177
10	1839 City of Glasgow Bank	February and August	1,264	127	127	128
				(24) 4	4	
11	1838 Caledonian Banking Company	February and August	944	23	23	200
			15,086	926	986	Average premium 187.5

(17) £15,000 of this set aside to meet unrealised debts which may entail loss.

(23) Bank of Monks has also £40,000 under Monks Act.

(24) Branches of Bank of Monks.

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London, 4th January, 1877.

NEW ZEALAND.

A VERY interesting paper on the "Recent Economic Progress" of New Zealand was read by Mr. Archibald Hamilton, F.S.S., before the Statistical Society of London, on the 30th January, 1877.

Commencing with some remarks on the great advantages which New Zealand possesses in its climate, its gold mines, its stores of coal and iron, and other mineral resources, Mr. Hamilton reviewed the progress of the colony for the ten years ending with 1875. The business part of the question is the one in which our readers will take the most interest, and therefore, passing by the history of the past policy of the Home Government towards the colonists and the Maoris, we will proceed at once to the consideration of the public debt of the colony and its comparative pressure on its resources. The amount of the debt to the 30th June, 1876, is as follows, to which must be added a loan for £1,250,000, raised in London in July of the same year :—

	£
Total debt for which debentures and treasury bills have been issued	18,734,761
Floating debt or liabilities, 30th June, 1876	808,438
As per financial statement 30th June, 1876.. ..	<u>19,543,194</u>

The annual charge for interest and sinking fund on debentures and treasury bills issued amounts to £1,015,779, irrespective of floating debt, which at 5 per cent. would increase the annual charge to £1,056,201.

The population in 1876 may be estimated as 391,856, exclusive of the Maoris, who are upwards of 45,000 in number. As many of these are wealthy, the whole may be taken as equal to a European population of 400,000.

These data give a total debt of £48. 17s. 2d. per head, and an annual charge of £2. 12s. 9d. per head. Of the earlier debts of the colony no less than £3,300,000 was expended in the contests with the natives. But subsequently to 1870 the loans have been principally expended on immigration, public works, and the purchase of land.

The chief heads of expenditure have been as follows to 30th June, 1876 :—

	£
On railways	6,198,272
„ roads and bridges	700,434
„ water races to develop mines	280,920
„ public buildings and other improvements	298,250
„ telegraphs	228,284
„ land purchases	445,404
„ immigration	1,113,490
Total	<u>9,266,064</u>

Mr. Hamilton considers that the railway expenditure of the

colony has been carried on too rapidly, and that the wisest course would have been to complete one section at once, instead of proceeding with so many different lines at the same time.

There are at present no less than twelve lines in course of construction throughout the colony, besides eight more under survey.

The progress of the debt has been as follows :—

	Debt.	Per Head.	Annual Charge.	Per Head.
	£	£ s. d.	£	£ s. d.
30th June, 1870	7,500,000	29 12 1	474,000	1 17 5
„ „ '76	18,700,000	46 15 0	1,015,000	2 10 9
Increase	—	59 per cent.	—	34 per cent.

This rapid progress of indebtedness is somewhat alarming. Some indication of the power of the colony to meet the burden will be gained from a statement of its exports, as these furnish the means by which necessaries and supplies of all sorts are procured from other countries, and from which the interest of this debt will be met. The following table shows the average exports of produce for eight years, ending 1874, from the undermentioned colonies. This will enable the reader to form an idea of the relative exports from other colonies in the southern hemisphere :—

	New Zealand.	Victoria.	New South Wales.*
	£	£	£
Gold	2,216,826	5,117,790	294,637
Wool	1,981,320	4,115,823	3,099,728
Agricultural produce	175,332	106,427	228,116
Other produce	412,948	1,341,568	1,929,137
	4,786,426	10,681,608	5,551,618
	£ s. d.	£ s. d.	£ s. d.
Per head, exclusive of Maoris	18 2 1	14 9 7	10 16 4
Per head, population estimated as mentioned previously	17 11 5		

Having investigated the question in this manner, Mr. Hamilton proceeds to state it in another form. Against the debt of New Zealand of £19,543,000, he places on the credit side the value of

* These are the exports seaward, irrespective of a considerable annual value of produce sent overland to Victoria and South Australia.

the following assets in hand, assuming the railways, roads, and public works to be worth their cost, viz. :—

NEW ZEALAND.

	£
Sinking fund, invested specially by trustees	1,200,000
Railways, expended thereon	6,200,000
Roads, bridges, water courses, and other public works ..	1,500,000
Crown lands, 34 millions of acres, producing in the last five years an average income of £820,000 per annum, valued at 7s. 6d. per acre	12,750,000
	£21,650,000

Thus he considers that the public debt of the colony is amply covered by sound public assets, independently altogether of the ordinary taxable resources of the community, which for its numbers is one of the wealthiest and most thriving in the world.

Mr. Hamilton has found himself unable to analyse the expenditure of the colony, owing to the complicated nature of the public accounts and the manner in which they are divided between the colonial and provincial governments; but he states that there is every reason to expect that the receipts from the railways in the colony will, when the lines are completed, cover the interest on the outlay.

In conclusion, Mr. Hamilton is of opinion that, notwithstanding the rapidity with which the debt has of late years been increased, there is no reason to fear the liabilities have outrun either the public or the private resources of the colony. Though the annual charge of the debt per head of the population has increased 34 per cent. since 1870, the capital and income of the population have likewise increased, and in a very much greater ratio. Still he is of opinion that the resources of the colony have been too freely anticipated during the past five years, and that this opinion has prevailed in financial circles. It cannot, indeed, be denied that a feeling of uneasiness began to prevail, with the usual want of discrimination, following upon the difficulties of Turkish, Egyptian, Peruvian, and other foreign debtors. With regard to this, Mr. Hamilton considers that it has not been the resources of New Zealand which have been exceeded, but the disposition of investors at home to absorb the loans, the public not being aware how ample is the security afforded by the colony. Loan after loan has been brought out, and the market has been over supplied with New Zealand bonds. Before the capitalists who took up one loan had been able to place it with the investing public, another loan has followed at a lower price, and prejudiced the previous operation. But all this has no bearing upon the ultimate soundness of the security; though Mr. Hamilton trusts it may prove a timely warning to the Government of New Zealand that they must moderate their expenditure, even upon works of the greatest ultimate

advantage to the colony, and not suffer their zeal for developing its resources to outrun their power of borrowing on fair terms in the London money market.

Mr. Hamilton's paper is a valuable contribution to the statistics of New Zealand, and will have besides a special interest for all those who have any investments in the debt of that colony.

THE EARLIEST LONDON BANKERS.

MR. G. H. HILTON PRICE, F.G.S., read before the London and Middlesex Archaeological Society on the 12th February, a paper, entitled, "Notes on the early Goldsmiths of London to the close of the seventeenth century." Others had ascribed the first introduction of banking to the Jewish settlers from the East, but he thought it was of even earlier date, and might have been due to the Romans, who, it is clear, from Cicero and other authors, drew bills on each other. But whether this was the case or not, at all events, soon after the Conquest, the Jews appear on the scene as the introducers of bills of exchange. Passing on to the reign of Henry I., we find one Leofstane, Provost of London, and a little later FitzAylwin, and two, if not three, generations of the Ottos, or Othos, acting as goldsmiths and bankers in a certain sense, and making dies for the Royal and Episcopal Mints. Again, in the reign of Henry III. we come across one Thomas Frowick, Alderman of the Ward of Chepe and Warden of the Goldsmiths' Company, lending moneys and making a crown of gold for the Queen Consort of King Edward. After the expulsion of the Jews from England the Lombards succeeded to their business, and, settling in the heart of the City, gave their name to Lombard-street, where, says Stow, "they assembled twice every day." Pointing evidently to money negotiations. Other goldsmiths in the next two centuries are recorded by Stow; but we know little about them except their names, and the fact that the shop of one of them, William Walworth, Sheriff of London, was at the corner of Friday-street in the Chepe, and that another, Matthew Shore, husband of the notorious Jane Shore, kept shop at the Grasshopper, in Lombard-street. The craft grew more important under the Stuarts, and the Goldsmiths' Company reckoned among its members several names of eminence, most of whom appear to have lived in or about the "Chepe," the trade not settling extensively in Lombard-street till after the Great Fire of London. Under Henry VIII. we have Sir Richard Gresham, the "King's Exchanger," and his son, Sir Thomas Gresham, who was the founder of the Royal Exchange and also of Gresham College. At his death the bulk of his wealth was found to consist of gold chains. In the reign of Elizabeth one of the craft, named Wheeler, moved westwards as far as Fleet-street; here he established himself as a "Goldsmith keeping running cashes," at the sign of the "Marygold," and became virtually the founder of the bank now known as Messrs. Child's. Under the Tudors the goldsmiths appear to have kept their superfluous wealth in the Tower of London; but they found the Stuart Kings bad custodians of their gold, as Royalty had a knack of appropriating it for its own purposes. Thenceforth they began to keep it in their own strong rooms; which the country gentlemen found to be useful places for depositing their rents, &c., receiving receipts or cash-notes for the same, and drawing draughts upon the goldsmiths, payable

on demand. Out of such beginnings naturally grew up the modern system of banking, the goldsmiths acting also occasionally as pawnbrokers, advancing money on the plate and other valuables deposited with them for safety. Mr. Price showed how the goldsmiths were afterwards in the habit of lending their "running cashes" to the Exchequer, till Charles II. suddenly closed that department, thus seizing on upwards of a million, which was never returned, though often promised. He then traced the origin of the Pinckneys, Vyners, Duncombes, Snows, Meynells, Backwells, &c., who became heads and founders of banking houses in London; and gave transcripts of the accounts of Prince Rupert with Messrs. Backwell, and of Prince George of Denmark with Messrs. Child and Rogers; and concluded by identifying five of the existing London banking firms with those mentioned in the "Little London Directory of 1677"—viz., Messrs. Martin, Messrs. Child, Messrs. Hoare, Messrs. Barnett, and Messrs. Willis, Percival, and Co.

Banking and Commercial Law.

THE decision of Mr. Justice Denman, in the case of *Johnson v. The Credit Lyonnais*, seems to us an instance of carrying technicality too far. It is founded upon, and follows, a well-known case, *Cole v. The North Western Bank*. The principle is that if a person is in possession of goods, as an agent, he is not able to give a purchaser a better title than he himself has—that is, if he is a mere agent to take care of goods, a sale by him is invalid; whilst, if he is an agent for sale, he may sell. To this, at first sight, every one would agree. But suppose the goods are, as they were in the case before us, in a warehouse, and the agent holds the *indicia*, or documents of title, the case is very different. Again, whether the agent is a mere warehouseman, or other person whose description shows that he has no right to deal with them, or whether he is a commission agent whose description implies a power to do so, is a very material circumstance. In *Johnson v. The Credit Lyonnais*, not only was the agent a merchant, but he was the paid vendor of goods, which remained in his name in a dock company's warehouse, and for which he also held the warrants, to suit the convenience of the plaintiff, the purchaser. Having complete power over the goods, the agent pledged them to the defendants, and handed over to them the warrants, when they procured a transfer of the goods in the Dock Company's books into, and an issue of new warrants in, their own names. In an action between the careless and the innocent parties, the former was held to have the better title, principally upon the ground that the common custom of the trade was to place infinite reliance in agents of this sort. Lawyers may be technical, and merchants are fond of finding fault with them for being so; but if the lawyers are to blame sometimes, what shall we say of the conduct of business men as disclosed at the trial of this case?

The plaintiff, in order to save himself the trouble of sending the warrants to the agent whenever he wanted to deal with the goods, left the entire control of his property in the hands of that person, who took advantage of his power to make away with it to somebody else. So far, the matter only concerned himself; but then the plaintiff applied to the law to take the property away from an innocent person, and restore it to him. He was to blame, and not the pledgees, who had no knowledge of the vice of title, and yet he sought to obtain, and the law gave him, restitution of his property. The fact that the agent was a paid vendor, seems to us no justification of the decision. If it goes for anything at all it is only a point more in favour of the innocent pledgees, for it prevented the Dock Company from being in a position to inform the pledgees of their want of title, that company only knowing the goods as those of the agent. We doubt that the judgment is good law, and maintain that it is not the lawyers who are to blame in this case. If we are mistaken, it is time for a new Factors' Act, and for a reconsideration of some of the leading cases in equity.

AN action has lately been tried at the Lincolnshire assizes holden at Lincoln, in which the Nottingham and Notts Banking Company were the plaintiffs, and a customer of that Banking Company was the defendant. The action was brought to recover £153 with interest as due from the defendant in connection with his account at the Gainsburgh branch of the bank, where he had been a customer for some years. The case is interesting as showing the care that bankers and their clerks should take to require the use of the usual memo. accompanying the payment in of money by a customer. The defence to this action was that the defendant had paid over the counter to the manager £150, without taking a receipt or having it entered in his bank-book, or paper showing the nature of that payment; handing in at the same time the usual slip or paper, for which he had never had credit. As a consequence the imputation rested on the Company that some of their servants were dishonest, and on the defendant that he had been equally corrupt in the story that he told and in the allegations which he made. The following constituted the evidence:—

Mr. James Braithwaite said: I am the manager at the Gainsburgh Branch of the Nottingham Bank, and have been four years. The headquarters are at Nottingham, and Mr. Wilcockson is the general manager, and in that way my superior officer. Defendant was a customer of the bank at Gainsburgh, and had kept his account, I believe, from the year 1866. The book produced is a copy of the account, which continues up to September, 1876. During 1870 and 1871 he had made considerable payments into the bank. From 1872 or 1873 the amount began to diminish. In 1875 the amount had decreased very considerably—to about £610 in 8 payments. In the beginning of February, 1876, there was a payment of £100 6s., and on March 29th another payment of £100. 0s. 10d.

Have the original ledger here, and the entries correspond. Those were the only entries in 1876 until August 3rd, on which day he paid £100. On September 21st he paid £156. 17s. 1d. I know the defendant well; he is a butcher and cattle dealer, living at Gainsburgh, and has a stall in the Market-place on Tuesday. Had dealt with him for some years. Have seen him at the bank frequently when he paid money. Sometimes he came, sometimes his wife, sometimes his nephew, and various other people. Well remember seeing the defendant in the bank on the 28th March; the payment was made after bank hours. I had not been in all day before; was very unwell. I entered the bank a little after half-past four, which is closing time on market day. Expected to find the door closed, but found Mr. Platts and Mr. King in. Spoke to them for a minute or two. They were each paying sums of money, which were on the counter. Shortly after defendant came in and he placed some money on the counter. Called to the clerk to count it. Spoke to the defendant a word or two only. That was the sum of £100 0s. 10d. entered. Believe it was paid partly in notes and partly in cheques. The slip (handed to witness) refers to the payment; it was made out by the clerk and signed by Layne himself.—Was any other payment made into the bank by him to you, or in your presence, until August 3rd? No.—You say other payments had been paid in for larger sums in former years: was there always a slip?—Witness: There is a slip for every payment. I have verified all these payments with the ledger and pass-book from the beginning. Never take money over the counter except with a slip. (Letter of 2nd August put in, written by witness to defendant asking the latter to reduce his balance, £400 odd, or turn over more money.) On August 3rd, defendant came to the bank and paid in £100. He said he thought his account was not so high and he thought he paid in about £150 towards the end of March or the beginning of April. I referred to the ledger and found there was a credit of £100. 0s. 10d. on the 28th March. Referred also to his pass-book and gave it to him. The entries correspond with the ledger. The pass-book was at the bank at that time. Don't know whether between March and then it was made up and handed to defendant. He fetches the pass-book when he likes. I got it from the ordinary place—a drawer. It was fully made up at the time. Asked defendant if he could fix the date a little nearer, and he said he gave Millson and Lockwood cheques, and it would be three or four weeks before then. Saw him a day or two after and he said it was the Tuesday before the 4th April, which would be 28th March. We keep cheques unless they are asked for. Here they are, my Lord—both dated 11th April. One is for £125 and the other for £46 10s. Defendant did not give any reason why he remembered March 28th, except that he had referred to his books and tried to make out when it was and had come to the conclusion it was that day. Mr. Mann, the clerk, was present at the interview. Afterwards saw defendant at his stall. Told him I had been to Nottingham and reported the matter to the general manager (Mr. Wilcockson) on the previous Saturday. Also told defendant I was going for my holiday. Went on the 10th August and was away till the 26th. My wife was not very well. Saw defendant again and he said he paid the money on April 4th. That was the first time he mentioned that date, as the day on which he paid the sum. At the interview on August 3rd asked him where he got the money from, and he said he had it in his pocket some time. Defendant told me he had been keeping the money for some days to pay Millson and Lockwood, that he did not see them, and then paid the money into the bank. He said he did not know when he received the money or how long he had had it—that he had received it at various times. I asked him to look at his books to try to make out what he had received during the year, and he said he would refer. The next day, I believe, he brought me a list. Defendant said there were two lots of stock he had not included—one £35 and the other £27, which I took down from his dictation. No dates were given. Pointed out that that would not make £350, and asked him how he made the difference. He said the difference would be sums he had received at the shop and stall—ready money.—By his Honour: At the time he brought the statement I was under the impression that it was made up to April 4th, but he had not fixed that day then—he said he would make it up to the time he thought of. The entries on the statement were not according to dates.

Witness : On August 29th defendant told me it was on April 4th. I was in the bank towards the end of the afternoon of April 4th. Never saw defendant on that day, and he paid no sum on that day. Was in the bank all day ; the bank opens at 10 and closes at 4.30. There were very few people in the bank on April 4th between 4 and 4.30 ; was not talking to gentlemen on that day. About 4.30 there were not two gentlemen in the bank together. Have verified every transaction on that day and have slips signed for every credit. There was no surplus cash beyond the slips verified—the balance was quite correct. Communicated with Mr. Wilcockson on September 2nd, and he fixed a day afterwards, and ultimately came over with Mr. Hall, branch manager at Mansfield. They came over on September 12th. Mr. Layne came to meet them. Defendant was asked by them what day it was. A director was present, too—Mr. Cullen. Layne said he paid the money on April 4th—that it was closing time, that I appeared to be very busy, but that I was the only person in the bank to wait on the customers, that two customers were in, on whom I was waiting. Defendant said when he came in I was speaking to one of the customers, that I left him and said " What is it, Layne ? " That he said " I want to leave £150," and that I said " Give me your bag, I'll make it all right, but I'm busy now." He was asked if he had signed a slip as usual, and he said, " No." Mr. Wilcockson said we never took money without slip, and it was a wonder he did not find one. Besides the reason given defendant said he had a memorandum book at home that enabled him to fix the date, on account of having bought some stock on a particular day. He was asked if he had the pocket book with him, and he replied that it was at home. Had previously asked him, at former interviews, to allow me to see his books, and he said he had none. He repeated that to Mr. Wilcockson. [Memorandum book produced.]

Cross-examined : That is all I happen to remember about that meeting just now. Have been employed by the bank nearly 15 years. Have been managing at Gainsburgh 4½ years. The business is about the same as it was when I went—improved if anything. Had previously been clerk at Gainsburgh bank. Became manager in 1872, since which time defendant has banked there. The slips are generally filled up by the customers themselves. About half the customers keep their counterfoils. If a person paid without a slip, either he or the clerk would fill up a slip, which would be put with all the slips and cheques. We keep the slip and money, and a customer has his pass book. It is the invariable custom for a slip to be filled up and signed. Don't know of any exception to that rule, but won't swear. I never have received money without a slip in 15 years. We post the amounts in the books from the slips. We rely on the slips. Supposing anybody paid money without a slip we should try to find out who did it. We have no other record than the slip, except the books. We enter from the slips as we have time—do not always wait till the end of the day. On a market day there may be 12 to 36 credits. We keep the pass books and make them up and customers fetch them as they like. Don't know when defendant had his ; should think it was brought in to be balanced at the end of the half-year. If a pass book was in we should balance it. Layne got a cheque book on April 11th. The last cheque drawn by him before the issue of the new cheque book was paid April 1st—[cheque produced in proof]. A slip is signed by Layne, and dated March 28th, the figures being Mr. Mann's. Defendant spoke to me and put the money on the counter. Did not take any notice of it. When I said yesterday the payment was partly in cheques, I had no doubt it was, but did not count it to be able to swear. The other clerk was attending to the two other gentlemen, who were present on that day. The entry was made in the books on March 29th, because it was paid in after the cash book had been ruled off. Platts' and King's came in the next day, too. On August 2nd the balance at the end of June was £397. 18s. 11d. On July 4th there was a payment to Mr. Copestake. Frequently saw defendant at his stall—dealt with him. Had got instructions on the morning of August 2nd, and he would receive the letter on the 3rd. He came early in the morning of the latter day. He first pulled out £100 and paid it. He did not use the words " I only owe you \$250." I did not say to him I would put the matter right. I said " I'll examine the

books to see if there is any mistake." On the next day I said I was going to Nottingham and would speak to the general manager. Afterwards asked him to allow the matter to remain till I came from my holiday, and he promised to do that. This was on a Tuesday. Returned from my holiday on the night of the 25th, Friday, and the first time I saw him after that was on the next Tuesday. Told him I was going to Worksop, and should see the manager and would mention it to him. Went to Worksop on Friday. Defendant was not pressing at all at this time. On the Friday (September 1st) defendant came to see me. Had seen Mr. Wilcockson. Next saw defendant on Tuesday, and I told him had had a letter, and the directors would see him. Think this was the letter (dated September 7th).—Mr. Lawrence: But this was on the 5th when you spoke to defendant.—Witness: That was not the letter. Had not a letter before that of the 7th—think not—as to the directors coming over. Told defendant the directors would come over.—Mr. Lawrence: Then you give up the letter?—Witness: You are confusing me about dates.—Mr. Lawrence said he would give ample time for answers.—Cross-examination continued: On one occasion asked him if he had consulted his friends. Possibly have asked him if he had consulted his solicitors. He asked me if I had written to the directors, and I said I had heard from them (this was on the 8th), and they were coming in the following week. On September 11th received a letter from Mr. Wilcockson appointing the following night for an interview, in consequence of a long and unpleasant letter from Mr. Layne, and asking witness to arrange with Mr. Layne for an interview. That was the first specific mention in writing by Mr. Wilcockson. Did not say to defendant, "Am surprised you have written to Nottingham; you have not given me a chance to clear the matter up." Defendant came to my house and had a long interview with Mr. Wilcockson and the other gentlemen. Don't remember anything about "bad principle." Layne said something about my not paying his account. Told him I had not got the bill, or would have paid. Did not say, "I did not think you wanted the money." The next day witness paid defendant's bill. (Letter put in by Mr. Metcalfe from witness to Mr. Wilcockson, dated September 2nd, referring to the "unpleasant dispute with Mr. Layne," who was described as a somewhat stupid and ignorant man. The letter also stated that the writer thought Layne had confused dates, and Mr. Braithwaite had no hesitation in saying the sum had not been paid, and he also wrote that he believed defendant to be one of the most honest men of his class.) Did not whisper to defendant about the meat bill at the interview with the directors.

Re-examined: Had not seen the memorandum book produced until to-day. Mr. Wilcockson's letter of the 7th referred to an interview on this matter. When witness spoke to defendant about consulting his friends he was suggesting some one should look into his books for him. On March 28th and August 3rd there were slips signed by witness. If £150 had been paid in on April 4th without a slip, the books would not have balanced. There was no surplus that day. If bank notes were paid the clerk would enter the numbers in a separate book, except our own notes. No such entries appear for April 4th. Defendant was allowed to overdraw to \$500 on a guarantee. The reason the letter was written was on account of the small returns.

Mr. Lawrence put in slip of 6th January, 1875, signed by witness on the account of Layne.

Witness explained that the sum referred to on the slip was sent to his house in his absence after business hours, that he paid it into the bank for Layne the next day, and made out the slip, and then sent word to defendant not to send up money in that way again, and inquiring if the amount was correct.

Mr. Alfred Mann, clerk at the Gainsburgh branch, stated that on August 3rd he heard defendant say he had paid in the £150 either at the end of March or the beginning of April, and that he paid it three or four weeks before he gave Millson the cheque. Defendant came two or three days after, and I believe he repeated what he said before. Witness didn't recollect when he first heard of 4th April from defendant. Believe it was after Mr. Braithwaite's holiday.

Was at the bank all the time Mr. B. was holidaying. An extra clerk was present—one week Mr. Hedderley, and another, Mr. Youngman. Don't remember defendant coming while Mr. Braithwaite was away, or hearing of his coming. On April 4th do not remember having been away from the bank—it was market day. Have looked at the books, and found nothing special on that day. Made all entries in the cash book on April 4th. We must have been particularly quiet during the latter part of the day. Find there were very few credits received. The cash was balanced and letters posted by a quarter to five. Half-past four is closing time, and if we had been busy could not have balanced up books and cash so soon as that. Received no money from Layne on April 4th, nor saw defendant. Recollect his paying £100 0s. 10d. on March 28th. Witness received the credit himself. Thought Mr. Braithwaite called him to receive the money. Mr. Braithwaite was ill that day, and believe he came in about 4.30. Recollect Messrs. Platts and King being in at the time.—Cross-examined: Have been in the bank fourteen months from now. Cannot say how often have seen Mr. Platts and Mr. King since March. Won't swear I was in the bank on April 4th from 4 to 4.30. If I went away at 4 o'clock on April 4th I should afterwards take the slips and enter up the cash book.—Re-examined: The last entry on the 28th March in the "notes" book refers to an amount paid by Mr. Platts. Then there is a red line and date 29th, with Mr. Layne's name, Mr. King's following next.—By Mr. Metcalfe: There is no entry as to Mr. Layne on April 4th. Can see there were not many transactions on that day.

Mr. H. S. Hedderley stated he was at the Gainsburgh branch on March 28th, Mr. Braithwaite being ill. He (Mr. B.) came in about 4.30. Messrs. King and Platts were in the bank. Saw defendant come in—spoke to him, having known him some years ago. Mr. Mann waited on him.

Mr. Peter Platts stated that he paid some money into the bank on 28th March, about 4.30. Could not say that he saw Mr. Layne. Mr. F. King was in at the time.

Mr. William Henry Wilcockson, general manager of Nottingham and Notts Bank, stated he had to go round to the branches for inspection. Gave directions from what he saw as to certain accounts, including defendant's. First heard of this matter from Mr. Braithwaite, on Saturday night, August 5th. Knew it was important for Mr. Braithwaite to go for a holiday. Received a letter on September 3rd, and then made arrangements to go over with the directors. Mr. Hall and Mr. Cullen went to Gainsburgh with witness on Tuesday night from Worksop—the 12th. Saw Layne and had a very long conversation, and spoke to him at once about the £150. The other gentlemen were present. Told him he must have been mistaken, that as he had paid so few sums of money into the bank, witness thought he had confounded the two dates—28th March and April 4th. Said "It is very unlikely that you would pay £100 in on March 28th and £150 a week afterwards." Said we should be glad to assist him if he would show us his books or any memoranda. It seemed difficult for him to fix the date, but he said he felt certain he had paid the money. Advised him to take time to make further inquiry. He said he owed two sums of money to two persons who frequented the market, and that he kept the £150 in his pocket for a week to pay them, but as they did not come he paid it into the bank; that Mr. Braithwaite was talking to a gentleman at the counter, and there was no clerk present; and that it was about 4.30 p.m. Witness said it was unlikely Mr. Braithwaite would be alone as the clerk would be posting up the cash book. In reply to further questions he said he had not looked in his books, but that he had a little memorandum book in which he made entries sometimes. After a long conversation witness said, "I'm afraid we shan't get any further to-night." The parties went into the hall—it was 11.30—and defendant was angry. Never saw the memorandum book.—Cross-examined: It is possible he may have taken it out of his pocket. Never inspected it. Gainsburgh is one of the banks witness visited half-yearly—about February and August. The letter of the 7th September referred to the ordinary inspection as well as the affair of Mr. Layne's. Altered the arrangement to Tuesday night—could not sleep at Worksop, as expected. Had had a letter from Mr. Braithwaite. Learned the full particulars

at the August interview with Mr. Braithwaite. On September 11th wrote to defendant fixing an appointment for Tuesday night. At that interview Mr. Cullen said, "You are bringing a very serious charge against Mr. Braithwaite." Defendant replied to the effect that he did nothing of the kind. Nothing was said about bad "principle." Defendant said Mr. B. had not paid his bill, but Mr. Braithwaite replied that it had never been made up. Witness deprecated going into such a question at the time.

Mr. Lawrance, in opening the defendant's case, said the simple question at issue was the payment of £150. Referring to bank transactions, he contended that the slip system was no protection whatever to the customer. The pass book was the only document showing the customer's account, and the pass book of the defendant was in the possession of the bank from the early part of the year 1876. On receipt of Mr. Braithwaite's letter, defendant immediately went to the bank and inquired about the £150, and from that time up to the interview with the directors he had continually asked Mr. Braithwaite to get the matter settled. Receiving no satisfactory answer, he wrote to Mr. Wilcockson, who then arranged the interview without delay. Defendant was anxious and pressed for an investigation, and was this the action of a man who had concocted any plot or scheme? They would hear from Mr. Layne his account of the payment of the £150—an account which he had not varied throughout the whole proceedings, and which was that on the 4th April he intended to pay sums to Messrs. Millson and Lockwood, amounting to about £150; that he failed to see one man, and the other refused to take the money until a certain sale was effected; and that, under these circumstances, he (defendant) took the money to the bank about closing time, paid it to Mr. Braithwaite, who was talking to a gentleman, and who told defendant it would be all right, or words to that effect. At that time defendant had no cheque forms in his possession, and on the following Tuesday he obtained a new cheque book and drew cheques in favour of Millson and Lockwood for the sums he had intended paying them in cash on the 4th April. He did not impute anything wrong to Mr. Braithwaite—what he said was that the business was not transacted in the best possible way, and he thought the jury would say the mistake had not been on the part of Mr. Layne.

Mr. Lawrance said he defied his friend to get out of the question otherwise than by imputing fraud to the defendant, but he (Mr. Lawrance) did not impute, nor would he be driven to impute, the same thing to the other side.

Mr. Thomas Layne, the defendant, said: I am a butcher and cattle dealer, and carry on business which my father and grandfather have carried on. I have paid a great deal of money away myself in cash, instead of paying it into the bank latterly. The books of my butchering trade are here. The cattle business I enter in a memorandum book, when I want to remember anything. From January to the end of March should have about £40 a week passing through my hands in butchering. The money from all sources would be £300 or £400 out of Christmas accounts; also £180 for beasts. Was always buying beasts for the shop. Have sold beasts occasionally. On the 28th March paid a sum into the bank. Two clerks were there. Did not see Mr. Braithwaite there. Don't remember seeing Messrs. Platts and King. One of the clerks took the money. On March 30th bought beasts of Mr. Lockwood and Mr. Millson—£46. 10s. the former's transaction, and £128 the latter. Was to pay on April 4th. Took the sheep to Retford; did not get them sold. They were taken to Manchester. The men were to come to my stall for the money. Frequently did business in that way. On April 4th took with me about £170 in my pocket to pay Lockwood and Millson. Neither came. Went to look for Mr. Millson, Mr. Lockwood not being in the town. Found Mr. Millson in the afternoon, and offered to pay him at Mr. Bingley's corner. The sheep hadn't got sold, and in reply to me Mr. Millson said he could not give me anything. Mr. Millson said, "I'll not take it; sell the sheep first, and I'll wait till next Tuesday." Went homewards, and called at the bank, where I saw Mr. Braithwaite and some other gentleman on the customer's side, whom I don't know. Nobody else was in the bank. Mr. Braithwaite came to me and said, "What is it, Layne?" I said, "£150; will you place it to my account?" He replied that

he was engaged with a gentleman; I was to leave it and he would make it all right. Did not make out a slip, the reason being the remark of Mr. Braithwaite. Have signed slips, but never filled them up at the bank for the last few years. The amount was in notes, with a little gold, about £10 or £15, to make up the £150. There were no cheques. On 11th April had no cheque form, and went to the bank first thing in the morning for a new cheque book. Had not enough cash to pay Millson and Lockwood on the 11th. Saw them on that day and paid them by cheque. On 3rd August went up to the bank. That was as soon as I opened Mr. Braithwaite's letter, not even saying anything to my wife first. Had got £100 the night before, which I intended to take up. Paid that in when I took the letter up to the bank, and asked Mr. Braithwaite (before seeing the pass book) whether he had entered £150 paid in at the end of March or beginning of April. He said, "What £150?" I said, "The £150 I brought in to tally against the two cheques—Millson and Lockwood on the following Tuesday." He looked at the slips and I told him I did not sign for it. He then asked me if I could give him an account of what money I received from January 1st to the 4th of April. Don't think it was the 4th, but to the beginning of April. Told him to whom I paid the sum. Went home, got the account, and came up the very day. Mr. Braithwaite said he would do what he could for me in the matter. On August 3rd Mr. Braithwaite said he would go to Worksop and consult the manager. On the following Tuesday morning went to the bank, when he still said he would do what he could. He wanted to go out for a fortnight, it was to be kept still till he came back. One week he said he had been to Nottingham. He came several Tuesdays to my stall. After holidays were over I went to him and he took me into his private room; that would be on a Wednesday or Thursday. He asked me if I had mentioned the matter to any business men. I replied I had named it to two or three of my friends, who all said the company ought to meet it. Had two or three interviews with him. When he was away never went to the bank. Saw him afterwards on several occasions to know what was going to be done about the matter. Was in his private room three times. He asked me if I had named the matter to my solicitors. I replied no, but said I should have to do so if nothing was done to clear up the matter. On September 9th wrote to Mr. Wilcockson. On the 12th Mr. Braithwaite came to my stall and said he was surprised at my writing to Nottingham, I had not given him a chance of clearing it up. I said "Don't say so," and told him I had been to him every week, except when he was out. Received a letter from Mr. Wilcockson and went at half-past 9 p.m. to meet the directors. Mr. Braithwaite took me in the room, where I sat till the directors came. During the interview my letter was read. Told Mr. Wilcockson I kept money in my purse and cash box. Told them the same story as in the letter. One of the directors said I was actually charging Mr. Braithwaite with taking the money for his own use. I said I was not—that I paid the money into the bank, and if it had not gone into my account it had gone somewhere—where I did not know. One of the directors told me my principle was not good. I replied—"If my principle is not good Mr. Braithwaite's is not much better, as he has not paid my Christmas or Midsummer account." Mr. Braithwaite whispered I should not have mentioned it. I replied that if they had not thrown out any insinuation against me I should not have mentioned it. Mr. Braithwaite said he did not know I wanted paying. I replied "What, not when I owe you the sum you say I do?" Did not tell Braithwaite I paid in the sum of money three or four weeks before I drew Millson's cheque. Never told him I paid it in on the 28th March, but that it was on the 4th April.

Cross-examined by Mr. Metcalfe: The £150 was what I had received out of business—Christmas accounts and what I had been selling in the shop. Had kept the money in the cash box, and took the £150 from that box. Took £170 altogether—made it ready on Monday night. Did not carry that sum about for a week. Had money in the house at Christmas time, and what I got from Christmas bills. Paid for the beasts at back end of 1875. They were sold in my shop and I received money at various times. Was asked by the directors for my

books; did not say I had none. Told Mr. Braithwaite what books I had and he saw them at my house. Showed this book at the interview—pulled it out of my pocket. Mr. Braithwaite saw the memorandum book at my house. Don't know whether the directors looked at the memorandum book. Mr. Metcalfe called attention to the defendant's affidavit that he had no books or papers in relation to the suit.—Witness: Did not know it referred to the books now in Court.—His lordship said the solicitor was more to blame than the defendant for preparing such an affidavit.—Witness: Had taken letter from Mr. Maples to my solicitor. Have received the money, mentioned in the statement, from my Christmas accounts. It does not refer to accounts due from January to April, 1876. Saw Millson about 4 p.m. Pulled the money out in my purse. Saw Lockwood on April 11th.—Re-examined by Mr. Lawrence: The account referred to has reference to bills sent in at Christmas, 1875—which were in my book. Was receiving money weekly in my business, which is not therein included. The list has nothing to do with the memorandum book. The other little book shows accounts up to Christmas, 1876. The ledger shows accounts with yearly, half-yearly, quarterly and monthly customers. Ready-money transactions were not entered. Mr. Braithwaite saw my books one day; he followed me home. That was before the meeting of the directors.

Mr. Thomas Millson, farmer, Corringham, stated that defendant bought some sheep of him. Saw defendant on the 4th April, and during the conversation as to defendant not having sold the sheep, defendant offered to pay, but witness said "Another week will do for me." Defendant remarked "Very well, I will take it to the bank," and away he went. The week following, defendant gave witness a cheque at his stall.

Mr. Thomas Lockwood, farmer, Pilham, stated that on March 30th he sold three beasts and two sheep to Mr. Layne, who told him to call on Tuesday next. Did not go to Gainsburgh on the latter day, but on the 11th he did and received a cheque in payment from defendant.

Mr. John Layne, farmer, Bole, Notts, brother of defendant, said defendant took his butchering business. On April 3rd defendant said witness could have half the sheep which were not sold at Retford. Witness took them to Manchester on the following day. We never settled until Easter Wednesday.

His lordship, in summing up, said the jury had a very responsible duty devolving upon them. All he had to do was to take care that they thoroughly understood the evidence. That being done, the question would be theirs, and he was very glad it was theirs and not his. His lordship then entered upon a lengthened review of the whole evidence. If they believed defendant did pay £160 on April 4th he was entitled to their verdict. But they would have to consider the way in which the bank business was transacted. No such sum could be traced on that day, and it was the invariable custom to have slips and for the books to be balanced daily. The plea of the learned counsel that £160 might have been credited to some other person was worthy of their consideration, because the balance would not be altered, but what mitigated against that plea was the improbability that a wrong credit would remain undiscovered, and the practice of taking the numbers of notes. One was reluctant to impute roguery to any one, but he felt it his duty to remind the jury that if they should fail to find any explanation other than that of roguery by either party, they must give their verdict, notwithstanding the consequences to any individual. If, however, they found reasonable grounds for supposing there had been a mistake, they might find their verdict without imputing a dishonest motive. His lordship then noticed that a slip was always signed when defendant's other payments were made; he held that the supposed inaccuracy relating to the money sent to Mr. Braithwaite's house in his absence, was no inaccuracy at all; he called attention to the evidence of Mr. Mann, who was a promising clerk, and gave his evidence in a remarkably clear and satisfactory manner; and his lordship pointed out that defendant was unable to find any witness as to actual payment into the bank on April 4th. His lordship next took up the correspondence and shortly put before the jury the circumstances disclosed thereby, resulting in the interview with the directors. He then pointed out the issue of fact as to the production of the

memorandum book, and in concluding his observations again expressed his disapprobation of the affidavit previously referred to.

The Jury retired, but were only absent a few minutes. They returned into court with a verdict for plaintiff—damages £160 (thereby covering accruing interest).

GUILDHALL.

SUPPOSED THEFT.—Alice Gardner, married, was charged with being concerned with John Gardner, her husband, in stealing a cheque for £339, and obtaining the money from the National Provincial Bank of England.—Mr. Wilde, for the prosecution, stated that a gentleman named Bell was a customer of the bank referred to, at the Stalbridge branch, and he was a trustee to an estate. On January 25th he had to distribute that estate, and the recipients met him for the purpose of receiving their shares. By mistake Mr. Bell drew a cheque for £339 in favour of Elizabeth A. Barrow, but, finding that there was no such person, he tore it in two and threw it down. The prisoner and her husband were there, and they were suspected of having obtained possession of the pieces and pasted them together. The prisoner, it was supposed, then sent it down to the manager of the Stalbridge branch of the bank in the name of Elizabeth A. Barrow, and asked him to send a draft for the amount on their head office in London. The cheque was endorsed "Elizabeth A. Barrow." The manager sent a draft, which was paid.—Detective-sergeants Robson and Morgan went to the prisoner's apartments and apprehended her. On searching her rooms they found £305 in the identical bank-notes which were paid for the cheque. At the prisoner's mother's lodgings, in Lambeth-street, Whitechapel, they found £65 in notes and £28 in gold. Among the notes were five for £5, which constituted the remainder of the notes paid for the cheque.—Detective-sergeants Robson and Morgan and Mr. De Coson, the cashier of the bank, having been examined, the prisoner was remanded.

THE FORGERIES ON BALL'S BANK.

THE following is the narrative of the *modus operandi* of Armstrong (or whatever his name may be) in his successful attempt to forge cheques for large sums on Ball's bank. It is from the Judge's charge, when he was passing sentence of penal servitude on the convicted prisoner:—

"In the character of a client, or an intending client, he had gone to a solicitor, Mr. Elliott, giving his name as O'Connor, and asked him to apply to a person whose name he gave as Murphy, living at some address in Kingstown, for the payment of a sum of money. Mr. Elliott wrote to the address he gave and, by return of post, he (Mr. Baron Deasy) believed an answer came with a £10 note purporting to be from a person of the name of Murphy, but there was every reason to believe that the prisoner and Murphy were identical, and that the letter had been received by the prisoner at Kingstown, and answered by him.

Mr. Elliott returned 2s. 6d. in stamps, and gave the prisoner a cheque on Ball's Bank, where he (Mr. Elliott) had been a customer for several years, for £9. 10s., the amount of the sum applied for. That cheque had never been applied to its legitimate purpose. It was never presented at the bank, and it was obviously used by the prisoner to assist him in the perpetration of the frauds which he subsequently committed, and of which he now stood convicted. He also obtained possession of a sheet of Mr. Elliott's note-paper, with the stamped official heading on it '7, Gardiner's-row, Dublin,' and applied it to the purpose which he (Mr. Baron Deasy) would presently mention. He took it to a stationer, with instructions to make out a supply of note-paper of exactly the same size, form, and quality, as Mr. Elliott's, and with the same printed heading. In order to assist him in reaping the fruits of the frauds he committed, he advertised in the 'Freeman' for a clerk or accountant. He went to the office of that paper on the 4th of January disguised in a wig, with grey whiskers and moustache, for the purpose of getting the answers to the advertisement, but the keen eye of Mr. Fred. Gallaher, who happened to be in the office, detected the disguise, and though he was unaware of what was going on he suspected something wrong, and at the proper time he communicated his information to the authorities who made use of it. Having got a supply of note-paper exactly corresponding to Mr. Elliott's, and having, he (Mr. Baron Deasy) supposed, studied the formation of his signature, he had hired two of the persons who had answered his advertisement, named Coffey and Murray, as clerks, but in reality to use them as instruments for realizing the proceeds of the fraud, without being himself ostensibly connected with it. A note was written by him and sent by one of them to the bank. It was headed, 'No. 7, Gardiner's-row, Dublin,' and his lordship could state from personal knowledge of the signature of Mr. Elliott, that the forgery was a most admirable one. The cheque-book was given to the young man ostensibly for Mr. Elliott, and by that young man given to the prisoner. He proceeded to make use of the instrument thus unwittingly placed in his hands by the bank authorities; for on the 7th of January he filled in one of the cheques for £198. 16s. in favour of Mr. David Stephens, Bray, signed 'John Elliott,' and entered 'David Stephens, Main Street, Bray.' That cheque was presented at the bank, and the money taken back and given to the prisoner. On January 11th he filled in another cheque in favour of Mr. 'James Barclay,' an order for £486. 6s. endorsed 'James Barclay,' and signed with Mr. Elliott's name. The cheque was cashed, and the money handed to the prisoner. Emboldened by the success that had attended his first attempts he ventured upon another. The next cheque was an order to pay Samuel Lawrence the sum of £590. 10s. signed John H. Elliott, but by an accident the figures in the cheque were only for £590. When taken to the bank the clerk offered his messenger the smaller sum of £590, but the messenger, being entirely innocent, refused to take less than the larger amount. This the bank clerk refused, and he referred him to Mr. Elliott. He took the cheque to Mr. Elliott, and of course the whole fraud was discovered, Mr. Elliott, denouncing the cheque as a forgery. But for that fortunate circumstance, this cheque would have been cashed as well as the others, and what this person would then have done with the money was of course only a matter of speculation."—From the *Irish Banker*, March, 1877.

CHANGE OF NAME.

I HEREBY certify, that the Blackburn Discount, Investment and Loan Company, Limited, having, with the sanction of a special resolution of the said Company, and with the approval of the Board of Trade, changed its name, is now called "THE BLACKBURN BANK, LIMITED," and I have entered such new name on the register accordingly.

Given under my hand at London, this Sixth day of February, One Thousand Eight Hundred and Seventy-seven.

W. H. COUSINS,

Registrar of Joint Stock Companies.

WATERLOW & SONS LIMITED.

THE daily papers of Monday, the 5th of March, announced certain changes which have been made in the well-known company of Waterlow and Sons Limited, by which the Law Stationery Department, carried on at 24 and 25, Birchin Lane, has been transferred to the firm of Waterlow Bros. & Layton, with the view of enabling the Company to give undivided attention to their extensive business in all the other departments, which will be continued as heretofore, at their several establishments, in Finsbury, Great Winchester Street, London Wall, and Parliament Street, under the control of the three eldest sons of Sir Sydney Waterlow, Bart., M.P., and the managers who were connected for so many years with the late firm and are now directors of the Company.

• Reports of Joint Stock Banks.

BANK OF ENGLAND.

THE half-yearly Court of the Governor and Company of the Bank of England was held on Thursday, 13th March, in the parlour of the Bank, for the purpose of receiving a report from the court of directors; Mr. Henry Hucks Gibbs, the governor, presided. The governor said he had to acquaint the assembly that it was one of the quarterly courts appointed by the charter, and one of the general half-yearly courts appointed under the 12th bye-law for the purpose of making a dividend. He had also to report that the court of directors found the net profits for the half-year ending on the 28th February last were £714,024 9s. 8d., making the total amount of "rest" on that day £3,735,803. 12s. 1d., and that, after providing for a dividend of 5 per cent., the "rest" would be £3,008,163. 12s. 1d. The court of directors therefore proposed to declare a dividend of 5 per cent., clear of income tax, and he moved a resolution to that effect.

Mr. Jones said so far as he could see, the accounts gave no indication as to how the profits were derived. There was nothing to tell the proprietors whether the profits were made upon legitimate banking operations or upon the investments, some of which, if in foreign stocks, must be extremely risky. He found that when the times were bad and little trade was moving, the directors, as on the present occasion, could give a 5 per cent. dividend; whereas, when times were good and other banks were paying well, the Bank of England could only give 4½ per cent., and therefore he came to the conclusion that the bank must reap a benefit out of the sorrows of the public.

The governor, in reply, said that the arrangements of the bank or the conduct of its business had nothing to do with the sorrows of the public, because its operations being large, were, as a matter of course, based upon the prosperity of the nation. No one need be sorrowful on account of any engagements which the bank had made or was likely to make. If the bank had solely to depend upon its discount business, it would not have been able to give so good a dividend. It was no part of the duty of the directors of the bank to force the money it had upon those who wanted it and who did not come and ask; but anyone coming and asking for money for legitimate purposes and offering fair cover, was never turned away. But the court of directors had to find employment for the money at command. He would set the minds of Mr. Jones and others who thought with him at rest, by saying that the bank had not invested in any of the speculative stocks which had been for some time the subject of discussion. The bank never shut its doors against any of its customers, especially its best customer, the Government. The other question involved in the speech of Mr. Jones had

been answered upon two previous occasions; but he would say that, whenever the Government came to the bank for money, it was always ready to lend, within the powers of the Acts of Parliament.

The motion was then put and carried unanimously.

The governor then stated that, as the dividend was larger than on the previous occasion, it would have to be confirmed by a ballot, which would be taken on Tuesday next. He then proceeded to move the following resolution:—

“That, subject to such arrangements as may be agreed upon, the collection of gold and silver coins and medals belonging to the Bank of England, and now and for some time past in the custody of the trustees of the British Museum, be presented to them in trust for the nation.”

The collection was a small one comparatively, but it was good, and filled up gaps in the most valuable collection in the British Museum. The collection had been for a long time in custody there, as it was found more convenient for inspection by persons curious in those matters than if kept at the bank. The collection as it stood, as belonging to the Bank of England, was not so useful as it might be to the public, inasmuch as, being a separate or private property, it could not be catalogued. Berlin of late years had made great efforts to get a complete collection and had got a good one, and the effects of the resolution would be that the collection of the Bank of England, filling up many gaps, would make the British Museum what it should be as the English collection—the best, finest, and most unique in the world. Taken all round, the lowest value which could be put upon the collection was £7,000, which would come to about 6*d.* each to every proprietor all round, so they would know how much of their property they were voting away.

ABERDEEN TOWN AND COUNTY BANKING COMPANY.

REPORT by the directors to the shareholders submitted at the fifty-second annual general meeting of the company, held the 5th day of March, 1877.

The annexed statement of the liabilities and assets of the bank shows that the net profits for the year ended 31st January last, after deducting all charges of management, income-tax, &c., and making provision for all bad and doubtful debts, amount to £37,276. 13*s.* 8*d.* To that amount there falls to be added the sum of £2,916. 5*s.* 6*d.*, being the amount brought forward from the previous year's profit and loss account, making altogether the sum of £40,192. 19*s.* 2*d.* of profits to be dealt with on the present occasion. The directors have appropriated these profits as follows:—Dividend of 6½ per cent. paid in September last, £15,750; dividend 6½ per cent. payable on 5th proximo, £15,750; making a dividend of twelve and one-half per cent. (clear of income-tax) on the paid-up capital of the bank for the past year, £31,500; bonus of 1½ per cent., or 1*s.* 9*d.* per share, free from income-tax, £3,150; bank buildings at head office and branches, in reduction of their cost, £1,500; superannuation fund for the bank's officers, £1,000; balance to be carried forward to profit and loss new account, £3,042. 19*s.* 2*d.* Total, £40,192. 19*s.* 2*d.* The directors have pleasure in stating that they have been enabled, out of profits realized on some of the bank's investments, and from other sources, to replace to that guarantee fund of the bank, the remainder (£10,000) of the sum withdrawn from that fund seven years ago, and to add thereto a further sum of £1,000, also from casual profits, thus raising the guarantee fund to £126,000, which now amounts to 50 per cent. of the capital of the bank. During the past year, branches of the bank have been opened at Cumineestown, Methlic, and Midmar, in this county, and at Brora, in the county of Sutherland. The proprietary of the bank now numbers 968 shareholders; and the directors again urge every individual partner to do all that lies in his power to extend the business and promote the interests of the bank. In terms of the bank's contract of co-partnery, the whole board of directors have annually to be elected at the stated general meetings of the company. All the present directors offer themselves for re-election.

31st January, 1877.

LIABILITIES.

Dr.

Amount due to the public—deposit and current accounts, &c., including interest (no acceptances)	£1,881,172	2	1
Notes in circulation	217,378	0	0
Proprietors' accounts—capital paid-up, £252,000; guarantee fund; £126,000; net profits for the year, £40,192. 19s. 2d. ..	418,192	19	2
	<u>£2,516,743</u>	<u>1</u>	<u>3</u>

Cr.

ASSETS.

Specie and notes of other banks, on hand; and balances due by other banks	£350,340	11	0
Investments in Government stocks and other securities ..	214,321	11	8
Loans, cash credits, bills discount'd, and other advances ..	1,912,068	9	9
Bank buildings, at head office and branches, twenty-two in number	39,512	8	10
	<u>£2,516,743</u>	<u>1</u>	<u>3</u>

*Profit and Loss Account.**Dr.*

Dividends on paid-up capital—6½ per cent. paid in September last, £15,750; 6½ per cent. payable 6th March next, £15,750; bonus of 1½ per cent. £3,150; bank buildings in reduction of costs, £1,500; superannuation fund for the bank's officers, £1,000	£37,150	0	0
Balance carried to credit of profit and loss new account ..	3,042	19	2
	<u>£40,192</u>	<u>19</u>	<u>2</u>

Cr.

Net profits for the year, as above	£40,192	19	2
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BANK OF BENGAL.

Report by the directors for the half-year ended 31st December, 1876.

At the commencement of the half-year the bank's minimum rate of interest was 7 per cent., which on 20th July was reduced to 6 per cent., and on 3rd August to 5 per cent. No further change occurred till 21st September when the rate was increased to 6 per cent., on 16th November to 7 per cent., and on the 28th December to 8 per cent. The half-year closed with a tightening money market owing chiefly to a large trade in grain in connection with the reported scarcity of food in the Bombay and Madras Presidencies. The net profits for the six months at head office and branches amount to Rs. 8,24,970-14-4, which with Rs. 32,686-8-4 brought forward from last half-year make a total of Rs. 8,57,656-6-8. This sum the directors have disposed of as follows:—1. In payment of a dividend at the rate of 6 per cent. per annum, Rs. 6,00,000. 2. To provide for depreciation in the bank's investments in Government securities, Rs. 2,10,578-0-5. 3. Transfer to bad debt fund, Rs. 30,000. 4. Carried forward to the profit and loss account of next half-year, Rs. 17,078-6-3. Total Rs. 8,57,656-6-8. The directors have recently decided to close the branches at Chittagong and Serajgunge, the retention of which did not appear likely to be attended with commensurate profit. The usual half-yearly statements of accounts and the report of the auditors are annexed.

Bank of Bengal.

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Statement of the affairs of the Bank of Bengal on the 31st December, 1876.

LIABILITIES.							
Dr.						Rs.	As. P.
Capital paid up	..	..	..	..	..	2,00,00,000	0 0
Reserve fund	..	..	..	..	..	*16,72,639	2 6
Public deposits at head office	..	Rs.	59,43,454	9	10		
Ditto Ditto at branches	..	Rs.	1,20,24,485	7	4	1,79,67,940	1 2
Other deposits at head office and branches	..	..	..	..	..	2,27,42,288	4 2
Bank post bills, &c.	..	..	..	..	..	2,96,426	8 6
Sundries	..	..	..	..	..	9,83,352	9 1
						Ra.	6,36,62,646 9 4

ASSETS.						Rs.	As. P.
Cr.							
Government securities	..	..	..	..	..	1,22,44,195	12 6
Loans on Government securities at head office and branches	..	..	..	..	..	74,14,856	11 4
Accounts of credit on ditto ditto ditto	..	..	..	..	..	66,58,532	5 10
Bills discounted and purchased	..	..	..	..	..	1,67,48,409	5 3
Balances with other banks	..	..	..	..	..	3,83,529	15 1
Bullion	..	..	..	..	..	10,082	0 9
Dead stock	..	..	..	..	..	10,28,127	0 5
Stamps	..	..	..	..	..	11,534	9 5
Sundries	..	..	..	..	..	5,32,568	1 1

Cash and currency notes at head office, Rs. 74,32,402-10-10;						4,50,81,835	13 8
Cash and currency notes at branches, Rs. 1,11,98,408-0-10						1,86,30,810	11 8
						Ra.	6,36,62,646 9 4

* Rs. 6,74,749-15-11 of which represent amount of old notes still outstanding of the bank's circulation which was withdrawn in 1862.

Profit and Loss Account.

RECEIPTS.						Rs.	As. P.	Rs.	As. P.
Amount brought forward from last half-year	..	..	..	..	..	32,685	8 4		
Amount received in interest, discount, exchange, commission, &c., at head office and branches	..	..	..	..	..	12,84,317	3 4	13,17,002	11 8

DISBURSEMENTS.									
Establishment at head office and branches, Rs. 3,35,962-11-10;									
pensions, Rs. 8,729-7; directors' fees, Rs. 9,043; auditors' fees, Rs. 2,500; law charges, Rs. 3,295-6. Contingencies—stationery, Rs. 13,497-1-4; lighting, Rs. 4,110-6-7; printing, Rs. 3,176-7-6; advertisements, Rs. 1,926 9-6; rent of branch premises, assessments, and miscellaneous charges at head office and branches, Rs. 57,009-3-4; allowance for wear and tear of bank property, Rs. 20,096-15-11	..	..	..	..	..	4,59,346	5 0		
Net profit	..	..	..	..	..	8,57,656	6 8		

Amount set aside for payment of a dividend at the rate of 6 per cent. per annum, Rs. 6,00,000; amount transferred to credit of Government securities to meet depreciation in investments, Rs. 2,10,578-0-5; amount transferred to bad and doubtful debt fund, Rs. 30,000; balance carried forward to profit and loss new account, Rs. 17,078-6-3 Rs. 8,57,656 6 8

Reserve Fund.

	<i>Rs.</i>	<i>As.</i>	<i>P.</i>
Balance on 30th June, 1876, Rs. 16,46,730-13-1; profit realized on sale of 400 shares representing Rs. 2,00,000, being the portion not cancelled of the 2,200 old shares bought from Government, Rs. 29,750	16,76,480	13	1
Bank of Bengal notes paid during the half-year	3,841	10	8
	<u>Rs. 16,72,639</u>	<u>2</u>	<u>5</u>

BANK OF BRITISH COLUMBIA.

REPORT of the directors to the proprietors at the general meeting held at London, 20th March, 1877.

The directors, in submitting to the shareholders the statement of account for the half-year ended 31st December last, have to report that after paying all charges, deducting rebate of interest on bills not due, and making provision for bad and doubtful debts, the balance at the credit of profit and loss account at that date was £15,763 13s. 0d., which they propose to appropriate as follows, viz.:—£12,110 in payment of a dividend for the half-year of 3½ per cent. (free of income-tax), making, with the previous distributions, 7½ per cent. for the year 1876; adding £2,500 to the reserve fund, which will then amount to £35,000; and leaving £1,153 13s. 0d. to be carried forward. The retiring directors are Mr. Harrison and Mr. Anderson, who, being eligible, offer themselves for re-election. The shareholders will have to elect auditors for the ensuing year, and Mr. Robertson and Mr. Gibbes offer themselves for re-election.

Statement of Liabilities and Assets at head office and branches, 31st December, 1876.

LIABILITIES.

<i>Dr.</i>	
Capital paid-up	£346,000 0 0
Reserve fund	32,500 0 0
Deposits, notes in circulation, bills payable, and other liabilities	474,438 8 6
Balance of profit and loss account on 31st December, 1876 ..	15,763 13 6
	<u>£868,702 1 6</u>

ASSETS.

<i>Cr.</i>	
Specie and bullion in hand, and cash at bankers	£142,962 19 4
Bills discounted, bills receivable, and other securities	697,842 8 9
Bank premises, furniture and other property	27,896 13 5
	<u>£868,702 1 6</u>

Profit and Loss Account.

<i>Dr.</i>	
Charges to 31st Dec., 1876, including rent, salaries, and other expenses at head office and branches	£9,069 16 3
Amount written off bank premises and furniture	717 1 11
Directors' fees	800 0 0
Balance at date proposed to be dealt with as follows:—	
Dividend (26th) for the last half-year at the rate of 3½ per cent., £12,110; reserve fund, £2,500; carried to profit and loss new account £1,153 13s.	15,763 13 0
	<u>£26,350 11 2</u>

<i>Cr.</i>					
Balance brought from last account	..	..	..	..	£1,061 9 0
Profit for six months, ended 31st December, 1876, after deducting rebate of interest on bills not due	..	.	..	..	25,289 2 2
					<u>£26,350 11 2</u>

BRADFORD BANKING COMPANY.

Report of the directors submitted to the shareholders, January 26th, 1877, Thomas Greenwood Clayton, Esq., in the chair.

The directors have to report that, after making provision for all bad and doubtful debts, rebating the interest on bills not due, and paying the income-tax, the net profits of the past year amount to £70,133. 13s. 7d., which added to the surplus brought from the year 1876, £6,535. 2s. 11d., make a total of £76,668. 16s. 6d. They recommend the appropriation of this sum as follows, viz.:—To payment of a dividend of £10 per share on 6,800 shares, £68,000 and the surplus to the credit of profit and loss for the current year, £8,668. 16s. 6d. total, £76,668. 16s. 6d.

Balance Sheet, 31st December, 1876.

LIABILITIES.

<i>Dr.</i>					
Paid-up capital	..	..	..	..	£408,000 0 0
Guarantee fund	..	..	..	..	220,000 0 0
Contingent fund	..	..	..	..	50,000 0 0
Own notes in circulation	..	..	..	..	48,675 0 0
Deposits and credit balances	..	..	..	..	2,400,047 19 6
Rebate of discount on bills, £4,941. 12s. 8d.; income-tax, £913. 7s. 3d.	..	..	..	..	5,854 19 11
Profit and loss—surplus from 1875, £6,535. 2s. 11d.; net profits for 1876, £70,133. 13s. 7d.	..	..	..	..	76,668 16 6
					<u>£3,209,246 15 11</u>

ASSETS,

<i>Cr.</i>					
Cash and bills on hand, £883,050. 6s. 7d.; ditto with London agents, £235,705. 17s.	..	..	..	..	£1,118,756 3 7
Advances on current accounts	..	..	..	..	2,085,490 12 4
Bank premises	..	..	..	..	5,000 0 0
					<u>£3,209,246 15 11</u>

Profit and Loss.

<i>Dr.</i>					
Dividend of £10 per share on 6,800 shares	..	..	..	..	£68,000 0 0
Surplus carried to the credit of profit and loss for 1877	..	..	..	..	8,668 16 6
					<u>£76,668 16 6</u>
<i>Cr.</i>					
Balance brought down	..	..	..	..	£76,668 16 6

Paid-up capital, £408,000; guarantee fund, £220,000; contingent fund £50,000; surplus to profit and loss for 1877, £8,668. 16s. 6d.

BRADFORD COMMERCIAL JOINT-STOCK BANK.

At the annual general meeting, held on the 5th February it was resolved—"That a dividend of 18 per cent., or £4. 10s. per share (free from income-tax) for the year 1876, upon the capital stock of this company, be paid to the proprietors, at the bank, on Monday, the 19th February, and following days." Annexed is a copy of the balance-sheet for 1876.

General Balance-sheet, 30th December, 1876.

<i>Dr.</i>							
Paid-up capital	..	..	..	..	..	..	£245,000 0 0
Guarantee fund	..	..	..	..	..	..	166,250 0 0
Deposits and credit balances	..	..	..	..	..	..	641,203 13 11
Balance of profit and loss account, viz., surplus from 1875,							
£3,675. £14. 10s.; net profit for 1876, £45,272. 0s. 8d.	..	..	..	..	..	..	48,947 15 6
							<u>£1,101,401 9 5</u>
<i>Cr.</i>							
Bills, notes and cash on hand, and advances on current							
accounts	..	..	..	..	..	..	£1,096,001 9 5
Bank premises	..	..	..	..	..	..	5,400 0 0
							<u>£1,101,401 9 5</u>

Profit and Loss.

<i>Dr.</i>							
Dividend of 18 per cent., free from income-tax	..	..	..	..	..	..	£44,100 0 0
Bank premises account	..	..	..	..	..	..	1,400 0 0
Surplus carried to the credit of profit and loss, for 1877	..	..	..	..	..	..	3,447 15 6
							<u>£48,947 15 6</u>
<i>Cr.</i>							
Balance brought down	..	..	..	..	..	..	<u>£48,947 15 6</u>

THE CITY BANK, SYDNEY.

REPORT of the board of directors to the proprietors at the twenty-sixth half-yearly general meeting, held at Sydney, 19th January, 1877.

The directors have the pleasure to lay before the shareholders the result of the operations for the past half year in the annexed balance-sheet of the bank of the 31st ultimo, certified by the auditors.

The net profits, after deducting rebate on current bills, interest on fixed deposits, providing for bad or doubtful debts, and defraying all expenses of management, amount to £15,779. 6s. 8d.; to which is to be added balance carried forward from last half-year, £1,389. 18s. 5d. Making available for distribution .. £17,169 5 1

Which is proposed to appropriate as follow:—To dividend at rate of 8 per cent. per annum, £9,600; bank premises, £500; reserve fund, £5,000; balance to next half-year, £2,069. 5s. 1d. £17,169 5 1

The results show a continued steady increase in the business of the bank. It devolves upon this meeting to elect two directors in the place of Messrs. John Alger and Edward Wrench, retiring in pursuance of the deed of settlement, but are eligible for re-election, and who have given the requisite notice of their intention to offer themselves as candidates for the vacant seats. It also becomes the duty of this meeting to elect an auditor in the room of the Hon. John Blaxland, who now retires, but is not eligible for re-election.

Liabilities and Assets at 31st December, 1876.

<i>Dr.</i>									
Capital paid up	..	..	...	..	..	..	..	£240,000,	0 0
Reserve fund	..	..	..	..	..	..	..	11,000	0 0
Notes in circulation	..	..	..	..	..	..	..	64,676	0 0
Deposits and other liabilities	..	..	..	..	..	..	..	877,883	16 10
Profit and loss	..	..	..	..	..	..	..	20,583	1 8
								£1,214,142	18 6

<i>Cr.</i>									
Coin and bullion on hand	..	..	..	..	..	..	..	£188,857	9 6
Bills discounted and other debts due to the bank	..	..	..	..	..	..	..	1,004,135	9 0
Bank premises and furniture	..	..	..	..	..	..	..	21,150	0 0
								£1,214,142	18 6

PROFIT AND LOSS ACCOUNT.

<i>Dr.</i>									
Rebate on bills discounted current at 31st December, 1876	..	..	..	..	..	..	..	£3,413	16 7
Dividend for half-year at the rate of 8 per cent. per annum	..	..	..	..	..	..	..	9,600	0 0
Transferred to reserve fund	..	..	..	..	..	..	..	5,000	0 0
„ bank premises	..	..	..	..	..	..	..	500	0 0
Balance of undivided profits carried to next half-year	..	..	..	..	..	..	..	2,069	5 1
								£20,583	1 8

<i>Cr.</i>									
Balance of undivided profits at 30th June, 1876	..	..	..	..	..	..	..	£1,389	18 5
Profits for half-year ended 31st December, 1876	..	..	..	..	..	..	..	19,193	3 3
								£20,583	1 8

RESERVE FUND.

<i>Dr.</i>									
Balance at this 31st December, 1876	..	..	..	..	..	..	..	£16,000	0 0
								£16,000	0 0
<i>Cr.</i>									
Balance at 30th June, 1876	..	..	..	..	..	..	..	£11,000	0 0
Transferred from profit and loss	..	..	..	..	..	..	..	5,000	0 0
								£16,000	0 0

The following resolutions were duly moved, seconded and carried unanimously—1. That the report now read, together with the statements of account, be approved of, printed and circulated among the shareholders. 2. That John Alger and Edward Wrench, Esquires, be re-elected directors. 3. That W. C. Windeyer, Esquire, be elected an auditor of the bank. 4. That the thanks of proprietors be accorded to the board, manager and officers of the bank for the great care and attention bestowed on the conduct of the affairs of the institution during the past six months.

THE COMMERCIAL BANKING COMPANY OF SYDNEY.

FIFTY-SEVENTH report, presented to the shareholders at a general meeting, held at Sydney, the 19th January, 1877.

The directors have pleasure in submitting to the shareholders the position of the bank on the 30th December last. After deducting rebate on current bills, reducing premises account, making ample provision for bad and doubtful debts, and granting to the officers a bonus of 10 per cent. on their salaries, the profits for the half-year amount to £83,671. 15s. 2d.; add undivided balance from last half-year, £13,951. 19s. 11d.—£97,623. 15s. 1d.; which the directors appropriate thus:—Payment of a dividend for the half-year at the rate of 25 per cent. per annum, £62,500; increase of reserve fund, £25,000; undivided balance, £10,123. 15s. 1d.—£97,623. 15s. 1d. The reserve fund now stands at £400,000, an amount equal to 80 per cent. on the paid-up capital. During the half-year branches have been opened at Barraba, Lithgow, Molong, and Quirindi, in this colony. The directors since the last meeting have established within the bank an officers' fidelity guarantee fund. The dividend is now payable.

Liabilities and Assets.

Dr.

Capital, £500,000; reserve, £375,000	..	..	..	..	£875,000	0	0
Notes in circulation	..	..	..	..	385,535	0	0
Bills in circulation	..	..	..	..	5,116	10	10
Deposits and other liabilities	..	..	..	..	4,191,948	9	10
Profit and loss account	..	..	..	..	110,267	5	8
					<u>£5,567,867</u>	<u>5</u>	<u>11</u>

Cr.

Coin and bullion in hand	..	..	..	..	£747,004	18	2
Government securities	..	..	..	..	291,704	7	10
Notes and bills of other banks	..	..	..	..	22,041	8	7
Bills discounted, and all debts due to the bank (including cash balances)	..	..	..	..	4,425,116	11	4
Bank premises, furniture, &c.	..	..	..	..	82,000	0	0
					<u>£5,567,867</u>	<u>5</u>	<u>11</u>

PROFIT AND LOSS ACCOUNT.

Dr.

Rebate on current bills	..	..	..	..	£12,643	10	2
Dividend account for payment of a dividend for past half-year at the rate of 25 per cent. per annum	..	..	..	..	62,500	0	0
Reserve fund	..	..	..	..	25,000	0	0
Balance of undivided profit carried to next half-year	..	..	..	..	10,123	15	1
					<u>£110,267</u>	<u>5</u>	<u>3</u>

Cr.

Amount undivided from last half-year	..	..	..	..	£13,951	19	11
Profit for half-year ended 30th December, 1876	..	..	..	..	96,315	5	4
					<u>£110,267</u>	<u>5</u>	<u>8</u>

RESERVE FUND.

Dr.

December 30, 1876—Balance	..	..	..	..	£400,000	0	0
					<u>£400,000</u>	<u>0</u>	<u>0</u>

<i>Cr.</i>			
June 30, 1876—Balance	£375,000	0	0
December 30, 1876—Transfer from profit and loss account ..	25,000	0	0
	£400,000 0 0		

The following resolutions were carried unanimously:—"That the report and statements of account now read be adopted, printed, and circulated amongst the shareholders." "That the thanks of the meeting be presented to the directors, manager, and officers of the bank for their very satisfactory management of the affairs of the institution."

DEVON AND CORNWALL BANKING COMPANY.

Report of the directors to the forty-fifth annual meeting of the proprietors, held at the bank, Plymouth, February 16th, 1877:—

"The directors have pleasure in meeting the shareholders on this the forty-fifth anniversary of the bank, and presenting to them the balance-sheet and profit and loss account for the year ending 31st December last. The net profit for the year, after making the usual provision for bad and doubtful debts and giving gratuities to the officers of the bank, amounts to £29,256. 0s. 8d. The directors consider this result very satisfactory, seeing that the past year has been exceptionally unfavourable for banking operations, and recommend the payment of a dividend of £2 per share, in addition to the £2 per share paid on 1st September last, being 12½ per cent. per annum, free of income-tax; and the transfer of the balance of £13,256. 0s. 8d. to the accumulating fund account, which with the balance of £3,883. 18s. 7d. brought forward last year, makes this account, Cr. £17,139. 19s. 3d. From this fund the directors have taken £14,000 to be appropriated in accordance with the special resolution of 1874, in the following manner: £7,000 to be added to the guarantee fund (making that fund £96,000), and £7,000 to be paid to the shareholders as a bonus of £1. 15s. per share, in addition to and at the same time as the half-yearly dividend, carrying forward to the credit of the accumulating fund account a balance of £3,139. 19s. 3d. The directors have as usual carefully inspected the various branches of the bank, the business of which they are able to report as increasing and of a satisfactory character. In view of the guarantee fund, at the end of the current year, attaining the maximum of £100,000 fixed by the special resolution of 1868, and also in consequence of the extended operations of the bank and to benefit the shareholders by increasing their holdings at par, the directors propose for consideration a scheme for increasing the paid-up capital of the bank from its present amount of £128,000 to £160,000, and at the same time increasing the guarantee fund from £100,000, its present limit, to £150,000. This they propose should be effected by calling up the sum of £8 per share, by instalments of £2 per share annually during the current and following three years, so making in the aggregate £40 per share paid-up, instead of £32 per share at present, such calls as paid to rank for dividend and bonus in the ordinary manner, and by carrying the surplus yearly profits of the bank (after payment of the usual dividend of 12½ per cent per annum as heretofore) to the accumulating fund account, and apply the same in accordance with the resolution passed in 1868, as amended in 1874, in equal amounts to the guarantee fund and as a bonus to the shareholders, until the former shall attain the limit of £150,000. Special resolutions for carrying out this scheme will be submitted for your approval at a special general meeting to be called for that purpose. If passed they will have to be confirmed at a subsequent general meeting, of which notice will be duly given. The company consists of 381 shareholders, holding 4,000 shares."

*Balance Sheet, December 31st, 1876.**Dr.*

Subscribed capital—4,000 shares, £32 paid	£128,000	0	0
Deposits on current accounts, interest, notes, &c. ..	1,921,612	15	9
Guarantee fund 1875, £89,000; added to fund 1876, £7,000 ..	96,000	0	0
Accumulating fund—1875, £3,883. 18s. 7d.; added to fund— 1876, £13,256. 0s. 8d.—£17,139. 19s. 3d.; transferred to guarantee fund, £7,000; reserve for bonus of £1. 15s. per share, £7,000—£14,000	3,139	19	3
	<u>£2,148,752</u>	<u>15</u>	<u>0</u>

Cr.

Investments in English and Colonial Government securities, advances on securities, current accounts, bills of exchange, estate, bank notes and gold at Plymouth and the branches ..	£2,148,752	15	0
	<u>£2,148,752</u>	<u>15</u>	<u>0</u>

*Profit and Loss Account.**Dr.*

PAID.

Interest on deposits, expenses of establishments, appropriated loss, income-tax, &c.	£66,575	19	10
Dividend paid 1st September, 1876, £8,000; reserved for divi- dend, £8,000	16,000	0	0
Carried to accumulating fund	13,256	0	8
	<u>£94,832</u>	<u>0</u>	<u>6</u>

Cr.

RECEIVED.

Interest, commission, and discount	£94,832	0	6
	<u>£94,832</u>	<u>0</u>	<u>6</u>

INTERNATIONAL BANK OF HAMBURG AND LONDON, LIMITED.

REPORT of the directors presented to the shareholders at the sixth ordinary general meeting held at London, the 17th of March, 1877:—

“The directors have now to submit to the shareholders the balance-sheet and profit and loss account for the year ending 31st December, 1876. The net profits, after making full allowance for bad and doubtful debts, amount to £23,247. 12s. 8d. The shareholders are aware that the entire net profits—say £44,353. 5s.—were retained in 1875, pending the settlement of the claim against the Deutsch Brasilianische Bank; and the directors are glad to report, that since the receipt of a second dividend of 20 per cent. (making 40 per cent. in all), they have at last succeeded, after protracted negotiations, in obtaining an offer from parties in Brazil to take over the balance of the bank's claim at a price which leaves a loss of 30 per cent. on the original amount, say £25,700. In view of the length of time which must elapse before the liquidation of the Deutsch Brasilianische Bank can be closed, and the consequent uncertainty as to the result, the directors have not hesitated to accept this offer. Deducting £25,700 from £44,353. 5s. an amount of £18,653. 5s. becomes available, making, with the above £23,247. 12s. 8d., a total of £41,900. 17s. 8d., out of which the directors recommend a distribution of a dividend of 6 per cent., absorbing £35,100. They further propose to place the sum of £5,000 to reserve, which is thereby increased to £50,000, and to carry forward the balance of £1,800. 17s. 8d. to profit and loss new account. The directors have every reason to hope that the steps which have been taken to increase the nominal capital of the bank will have a favourable effect upon its credit.

Balance Sheet, 31st day of December, 1876.

CAPITAL AND LIABILITIES.

<i>Dr.</i>			
Share capital—amount authorised in 65,000 shares of £12 each	£780,000	0	0
Shares issued—65,000 shares on which £9 per share has been paid	585,000	0	0
Liabilities—amount due on current accounts, bills payable, and other liabilities	1,437,239	3	2
Rebate of interest on bills current	1,023	13	0
Reserve fund	45,000	0	0
Profit and loss account—balance from last account, £44,353. 5s.; less loss on the Deutsch Brasilianische Bank, £25,700; Profit, year ended 31st December, 1876, £23,247. 12s. 8d.	41,900	17	8
	£2,110,163	13	10

PROPERTY AND ASSETS.

<i>Cr.</i>			
Cash in hand at bankers and at call	£191,200	5	9
Bills receivable and coupons in hand	446,555	0	3
Consols and United States Government stock	44,075	0	0
Debtors on current accounts, loans, &c.	1,426,589	10	4
Office furniture and fixtures (after writing off 10 per cent. depreciation)	1,743	17	6
	£2,110,163	13	10

Profit and Loss Account, Year ended 31st December, 1876.

<i>Dr.</i>			
Current expenses, including salaries, rent, rates, taxes, bonuses, and incidental expenses	£15,001	17	5
Balance net profit carried to balance-sheet	23,247	12	8
	£38,249	10	1
<i>Cr.</i>			
Gross profits, after allowing for bad and doubtful debts	38,249	10	1
	£38,249	10	1

THE LAND MORTGAGE BANK OF VICTORIA, LIMITED.

"The directors herewith submit the twenty fifth half-yearly balance sheet and profit and loss account, audited to 31st December, 1876. The gross profits for the half-year amount to £21,203. 4s. 4d., which, with £443. 14s. 9d. brought forward from last account, make a total of £21,646. 19s. 1d. After payment of all charges at the head office to 31st December, 1876, and at London to date of advices, providing for accrued interest on debentures and deposits, and writing off all ascertained losses, there remains a balance of £4,938. 18s. 3d., which the directors propose to distribute as follows:—

In payment of dividend for the half-year at the rate of 8 per cent.	£4,202	14	6
In reduction of bank premises account	135	0	0
furniture	65	0	0
To profit and loss new account	536	3	10
	£4,938	18	3

"The directors retiring by rotation are the Hon. O. J. Jenner, M.C.L., and George Wilson, Esq., J.P., who are eligible for re-election, and offer themselves accordingly. It will also be necessary to appoint two auditors for the ensuing year in place of Messrs. T. Dickson and W. F. A. Rucker, who are eligible for re-election. Mr. W. F. A. Rucker has intimated that he does not offer himself for re-election."

General Balance Sheet, for the Half-year ending 31st December, 1876.

<i>Dr.</i>									
Subscribed capital, £525,340; less uncalled, £420,272	..	..	..	..	..	..	..	£105,068	0 0
Deposits and interest	..	..	..	..	..	..	..	234,749	16 10
Debentures and interest	..	..	..	..	..	..	..	184,181	4 6
Shares fully paid	..	..	..	..	..	..	..	4,200	0 4
London branch	..	..	..	..	..	..	..	3,179	19 0
Unclaimed dividends	..	..	..	..	..	..	..	51	16 1
Reserve fund	..	..	..	..	..	..	..	8,267	0 0
Balance	..	..	..	..	..	..	..	4,938	18 3
								<u>£544,636</u>	<u>15 0</u>
<i>Cr.</i>									
Loans and interest	..	..	..	..	..	..	..	£535,332	11 4
Furniture	..	..	..	..	..	..	..	290	18 8
Bank premises	..	..	..	..	..	..	..	337	12 0
Cash in banks, head office, and in London	..	..	..	..	..	..	..	8,675	13 0
								<u>£544,636</u>	<u>15 0</u>

Profit and Loss Account.

<i>Dr.</i>									
Deposit and debenture interest	..	..	..	..	..	..	..	£11,782	5 6
Charges—Rent, salaries, directors' fees, advertising, head office, and in London, and providing for losses	..	..	..	..	..	..	..	4,975	15 4
Balance forward	..	..	..	..	..	..	..	4,938	18 3
								<u>£21,646</u>	<u>19 1</u>
<i>Cr.</i>									
Gross profits	..	..	..	..	..	..	..	£21,203	4 4
Balance brought forward	..	..	..	..	..	..	..	443	14 9
								<u>£21,646</u>	<u>19 1</u>

LONDON AND SAN FRANCISCO BANK, LIMITED.

REPORT presented to the ordinary general meeting of shareholders, held at London, on the 6th March, 1877:—

"The directors beg to submit to the shareholders the general balance sheet of this bank to the 30th December last, and the profit and loss account for the year 1876. The gross profits, after allowing for bad and doubtful debts, amount to £140,330. 8s. 6d., and including the balance brought forward from the previous year of £1,666. 10s. 5d., to £141,996. 18s. 10d., from which are deducted rebate of interest and all charges at the head office and the branch at San Francisco, leaving an amount of £91,972. 18s. 6d. as the ascertained profit for the year 1876. From this amount there has been carried to the reserve fund £24,000 (making that fund £90,000), leaving an available balance of £67,972. 18s. 6d. A dividend on account, of 8s. per share, amounting to £24,000, was paid in September last, and it is now recommended to pay a further dividend of 8s. per share, amounting to £24,000, making the dividend for the year 1876, 16s. per

share, or 8 per cent. on the paid-up capital of the bank, free of income-tax. According to the articles of association, the bonus to the founders of the bank, amounting to £6,000, has to be paid out of the profits of the year, and there will then remain a balance of £13,972. 18s. 6d. to be disposed of as the general meeting shall think fit. It has been frequently suggested that the shareholders might desire to extinguish the founders' bonus, as a charge inconvenient to the progress of the bank and detracting from the full value of the property, and the directors think it expedient at this time to submit the question to the decision of the shareholders in an extraordinary general meeting, which will be held at the conclusion of the ordinary business. After protracted discussion, the proprietors of the founders' bonus have agreed to accept for the purchase of their annual charge of £6,000, as from 1st January, 1877, the sum of £27,500. If the purchase of the founders' bonus is approved, the directors recommend that a portion of the above-mentioned balance, say, £12,100, be disposed of accordingly, and the residue, £1,872. 18s. 6d., carried to profit and loss new account. The course of business during the year 1876 has been satisfactory. The capital of the bank amounts to £600,000 in 60,000 shares of £10 each, fully paid. The reserve fund now stands at £90,000. According to the articles of association, two directors, Julius May, Esq., and John Parrott, Esq., retire on this occasion, and being eligible, offer themselves for re-election. The shareholders have to elect at this meeting the auditors for the year 1877."

General Balance Sheet, 30th December, 1876.

CAPITAL AND LIABILITIES.

<i>Dr.</i>				
Capital called up to date	£600,000	0	0	
Liabilities—amount due on current and deposit accounts, bills payable, and other liabilities	1,867,797	9	4	
Reserve fund	66,000	0	0	
Rebate of interest on bills and drafts not matured	1,202	7	2	
Profit and loss account—balance 31st December, 1875, £1,666. 10s. 5d.; profit for the year ending 30th December, 1876, £90,306. 8s. 1d. Less—dividend on account of 8s. per share, declared 5th September, for the half-year ending 30th June, 1876, £24,000		67,972	18	6
	<u>£2,602,972</u>	<u>15</u>	<u>0</u>	

ASSETS.

<i>Cr.</i>				
Cash on hand and at bankers	£598,213	7	10	
Bills receivable, bills discounted, current accounts, and other securities	1,924,759	7	2	
Bank buildings at San Francisco	80,000	0	0	
	<u>£2,602,972</u>	<u>15</u>	<u>7</u>	

Profit and Loss Account, Year ending 30th December, 1876.

<i>Dr.</i>				
Amount of "dividend on account" of 8s. per share, declared 5th September, for the half-year ending 30th June, 1876 ..	£24,000	0	0	
Charges, including rent, rates, taxes, furniture, salaries, directors' remuneration, and all other expenses in London and San Francisco	48,821	13	2	
Rebate of interest on bills and drafts not matured	1,202	7	2	
Balance	67,972	18	6	
	<u>£141,996</u>	<u>18</u>	<u>10</u>	

<i>Cr.</i>							
Balance 31st December, 1875	..	..	..	..	..	..	£1,666 10 5
Gross profits in London and San Francisco, after allowing for bad and doubtful debts	..	..	..	..	..	..	140,330 8 5
							<u>£141,996 18 10</u>

Appropriation.

<i>Dr.</i>							
Reserve fund	..	..	..	..	..	..	£24,000 0 0
Balance carried down	..	..	..	..	..	..	67,972 18 6
							<u>£91,972 18 6</u>

Dividend on account—8s. per share, declared 5th September, for half-year ending 30th June, 1876, £24,000; dividend of 8s. per share, now recommended (making with dividend on account already paid, a total dividend of 8 per cent. for the year), £24,000							£48,000 0 0
Proposed appropriation towards purchase of founders' bonus, as recommended by the board							12,100 0 0
Founders' bonus for year 1876							6,000 0 0
Balance carried to "profit and loss new account"							1,872 18 6
							<u>£67,972 18 6</u>

<i>Cr.</i>							
Balance 31st December, 1875	..	..	..	..	..	..	£1,666 10 5
Profits for the year ending 30th December, 1876	..	..	..	..	..	..	90,306 8 1
							<u>£91,972 18 6</u>
Balance brought down as :—Net profits available for division							<u>£67,972 18 6</u>

MANCHESTER AND SALFORD BANK.

At the annual general meeting of the proprietors, held the 14th of February, 1877, the following report was presented by the directors:—

"During the past year the reserves of the Bank of England have been unusually large and the rate of discount in the open money market has been lower than at any previous period. The accumulation of unemployed capital was due partly to the discredit into which many foreign securities had fallen, partly to the general distrust created by the failures in 1875, and to the subsequent contraction of trade both at home and abroad. The effect of these conditions has been to render the business of banking less profitable than in times of greater enterprise and more commercial and industrial activity. Nevertheless, the directors are able to announce that the business of the bank has yielded an average amount of gain. After making allowance for bad and doubtful debts, for rebate of interest upon bills in hand, and adding £1,200 to buildings depreciation fund, the net profits for the past year amount to £85,233. 10s. 11d. The directors have entered to the redemption of the purchase of the St. Ann's Street business £21,000, and have declared a bonus of four shillings per share, amounting to £15,000. In addition to the usual dividend of eight per cent. per annum £48,000, leaving in profit and loss account, to cover income-tax, the balance of £1,233. 10s. 11d. The paid-up capital of the bank is £600,000; the reserve surplus fund £200,000; and the value in guarantee account £50,000. The directors have to report, with much regret, that Mr. Langton

retired last year from the management of the bank, which he had conducted for more than twenty-one years. The proprietors will be sorry to learn that failing eyesight has ended in total blindness. In recognition of services of an important character rendered to the bank, the directors have felt justified in granting to him a retiring allowance. Mr. Langton has been succeeded in the management by Mr. Thomas Read Wilkinson, who has been in the service of the bank since 1841, and who is well known to the shareholders and customers. The directors who retire by rotation are Mr. William Langton and Mr. George Henry Gaddum. Mr. Gaddum is eligible, and is recommended, for re-election.

"The foregoing report having been read, the following resolutions were passed, viz. :—

"Resolved—1st. That the report which has now been read be received and approved, and that it be entered on the minutes of this meeting, and printed for circulation at the discretion of the directors. 2nd. That Mr. George Henry Gaddum be re-elected to fill the office of director. 3rd. That the proprietors, in general meeting assembled, having heard with much regret of Mr. Langton's loss of eyesight and retirement from the bank, desire to express their appreciation of his important services, and hereby cordially approve the action of the board of directors in granting him a retiring allowance, which they hope he may long continue to enjoy. 4th. That a sum of £1,500 be annually awarded to the directors, in recognition of their services, in lieu of £1,000, received by them at present. Mr. Kennedy having left the chair, a vote of thanks was passed to the chairman, and to the directors."

THE MERCANTILE BANK OF SYDNEY.

REPORT presented to the shareholders at the half-yearly general meeting, held 16th January, 1877:—

"The directors feel much pleasure in submitting to the proprietors the following report of the results of the business during the half year ending 30th December, 1876. The accounts now presented show that the balance at the credit of profit and loss, after deducting accrued interest on fixed deposits and current accounts, and after providing for all bad and doubtful debts amounts to £30,148 18 8

This balance the directors have appropriated as follows, viz. :—

1. Expenses of management in Sydney and at London office, including directors' and auditors' fees, salaries, rent of premises, stationery, &c., &c., £2,551. 9s. 1d.	2. Rebate on bills discounted not due on 30th December, £4,821. 19s. 5d.	3. In payment of a dividend at the rate of 12½ per cent. per annum, £10,625	17,998 8 6
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Leaving a balance of undivided profit amounting to .. £12,150 10 2

Dr. Balance Sheet, 30th December, 1876.		
Subscribed capital, £200,000; less unpaid at date, £20,000	..	£180,000 0 0
Reserve fund, £50,000; less unpaid at date, £5,000	..	45,000 0 0
Notes in circulation	..	9,029 0 0
Deposits and other liabilities	..	645,257 8 9
Profit and loss	..	30,148 18 8

£909,435 7 5

Cr.		
Coin on hand, £110,831. 15s. 5d.; Cash balances, £71,362. 12s. 6d.	£182,194 7 11	
New South Wales Government debentures	23,624 0 0	
Office furniture	1,000 0 0	
Bills discounted, securities for advances, and other assets	700,066 10 5	
Expenses of management, &c.	2,551 9 1	

£909,435 7 5

*Profit and Loss.**Dr.*

Expenses of management in Sydney and at London office, including directors' and auditors' fees, salaries, stationery, and rent of premises				£2,551	9	1
Rebate on bills discounted not due on 30th December				4,821	19	5
Dividend at the rate of 12½ per cent. per annum				10,525	0	0
Undivided balance carried to next account				12,150	10	2
				£30,148	18	8

Cr.

Undivided balance from last half-year				£11,708	12	0
Profit for half-year ending 30th December, 1876.. .. .				18,440	6	8
				£30,148	18	8

THE MUNSTER BANK, LIMITED.

Report of the directors for the half-year ending 30th December, 1876:—

"The directors have to report that the gross earnings of the bank for the half-year ending 30th December last, are £75,789. 15s. 11d. To this is to be added £22,595. 13s. 8d., balance from former account, making a total of £98,385. 9s. 7d. After providing for interest on deposit and public accounts, charges, salaries, rents, rebate on bills not at maturity, and all bad and doubtful debts, a balance remains of £49,869. 17s. 2d. The directors propose to pay the usual dividend of 12 per cent. per annum (£21,000); to divide a bonus of 2 per cent. on the half-year (£7,000), both free of income tax, and to write off the sum of £11,143. 19s. 6d. from bank premises account, leaving a balance of £10,725. 17s. 8d. to be carried forward to next account. Three directors, William Shaw, Esq., M.P., N. D. Murphy, Esq., M.P., and William Lumley Perrier, Esq., J.P., retire by rotation, are eligible and offer themselves for re-election."

*Statement of Account at 30th December, 1876.**Dr.*

Capital subscribed				£1,000,000	0	0
Capital paid up				350,000	0	0
Deposit and current accounts				2,785,852	9	7
Seven day bills				17,603	13	0
Reserve fund				150,000	0	0
Profit and loss balance from former account, £22,595. 13s. 8d. ; gross profits for six months ending 30th December, 1876, £75,789. 15s. 11d.				93,385	9	7
				£3,401,841	12	2

Cr.

Cash on hand and at bankers				£249,365	3	2
Government and other convertible securities				247,613	14	9
Bills discounted, due on current accounts and other advances				2,778,603	2	4
Bank premises and furniture				86,143	19	6
Interest paid and due on deposits				17,656	1	1
Charges, salaries, rents, &c.				22,559	11	4
				£3,401,841	12	2

<i>Dr.</i>		<i>Profit and Loss Account.</i>	
Interest paid and due on deposits	£17,656	1	1
Charges, salaries, &c., at head office and branches	22,559	11	4
Rebate on bills not at maturity	8,300	0	0
	<u>£48,515</u>	<u>12</u>	<u>6</u>
Dividend at 12 per cent. per annum, £21,000; bonus of 2 per cent. for half-year, £7,000; reduction of bank premises account, £11,143. 19s. 6d.; balance carried forward £10,725. 17s. 8d.	49,869	17	2
	<u>£98,385</u>	<u>9</u>	<u>7</u>
<i>Cr.</i>			
Balance from former account	£22,695	13	8
Gross profits for six months ending 30th December, 1876 ..	75,789	15	11
	<u>98,385</u>	<u>9</u>	<u>7</u>
Balance carried forward	<u>£10,725</u>	<u>17</u>	<u>8</u>

PARES' LEICESTERSHIRE BANKING COMPANY.

At the forty-first general annual meeting of proprietors, held at Leicester, the 7th day of February, 1877, William Evans Hutchinson, Esq., in the chair, the directors presented the following report:—

“The directors have much pleasure in again meeting the proprietors, and in submitting for their consideration the forty-first annual report of the business of the bank. The depression in trade, and low value of money which have prevailed throughout the year have occasioned considerable difficulty in the profitable employment of a large portion of the funds of the bank, but notwithstanding these drawbacks, the directors have the pleasure of stating that the result of the business of the year has been satisfactory. The profits, after making ample allowance for doubtful debts, and paying expenses and losses, amount to £47,516. 12s. 6d., which added to the balance of £8,083. 10s. 11d. left over on the 31st December, 1875, make a total of £55,600. 3s. 4d. at the disposal of this meeting. The directors recommend the payment of a dividend of one pound per share on the old shares, and of eight shillings per share on the new shares (free of income-tax), being at the rate of £8 per cent. for the half-year, which with the dividend of £6. per cent. paid in August last, will make £14 per cent. for the year. They further recommend that £5,000 be added to the reserve fund, and that the surplus of £6,600. 3s. 4d. be carried forward to the profit and loss account for the present year. The account will then be as follows:—

Dividend paid in August last	£18,600	0	0
Dividend now recommended	24,800	0	0
Allowance for income-tax	600	0	0
To the reserve fund	5,000	0	0
To profit and loss account for 1877	6,600	3	4
	<u>£55,600</u>	<u>3</u>	<u>4</u>

“The paid-up capital of the bank is now £310,000, consisting of 20,000 shares of £12. 10s. each fully paid up, and of 12,000 shares of £12. 10s. each, on which £5 per share are paid, and the reserve fund with the above addition will amount to £150,000. The two directors retiring by rotation are Charles Thos. Freer, Esq., and William Billson, Esq., and no other names having been proposed those gentlemen are alone eligible for election at this meeting.

"RESOLVED.—1st. That the report of the directors be received, and that it be printed and a copy sent to each proprietor. 2. That Charles Thomas Freer, Esq., be re-elected a director. 3. That William Billson, Esq., be re-elected a director. 4. That the best thanks of the meeting are due and hereby given to the board of directors for the able and satisfactory manner in which they have conducted the affairs of the company. 5. That the best thanks of the proprietors be given to the officers of the company for their efficient services during the past year. The chairman having left the chair: Resolved, that the thanks of the meeting be given to the chairman for his able conduct in the chair this day."

WEST RIDING UNION BANKING COMPANY.

REPORT of the board of directors to the forty-fourth annual general meeting of the proprietors, held at Huddersfield, the 8th day of February, 1877:—

"We report to you that the business of the bank, during the past year, has been satisfactory, and the results exceed our expectations. During the last nine months of 1876 the value of money has been so exceptionally low, that nothing but the very active employment of its resources could have enabled the bank to realize profits equal to preceding years. After providing for bad and doubtful debts, the net profits of the year are £42,119. 19s. 10d. The interim dividend of ten shillings per share, paid in August last, absorbed a sum of £10,000, leaving £32,119. 19s. 10d. for present appropriation, as follows:—£700 for income-tax, £3,349. 13s. 3d. for interest on the instalments paid on 11,606 new shares issued, £20,000 in payment of a further dividend of 20s. per share on the 20,000 old shares, £8,070. 6s. 7d. as an addition to the reserved surplus fund. By resolutions of the special general meetings, held on the fifth and twenty-sixth of May last, 20,000 new shares were created. By virtue of the powers given to them by these resolutions your directors have allotted 11,606 shares at the price of £22 per share, being £12 premium per share. The whole of said allotted shares have been taken up and paid for. Ten pounds per share on 11,606 shares, or £116,060, has been thus added to the capital of the bank, which now stands at £316,060. Twelve pounds per share, the premium on 11,606 shares, amounting to £139,272, has been added to the reserved surplus fund; and by the further addition of £8,070. 6s. 7d., now set apart out of last year's profits, the reserved surplus fund will amount to £191,152. 14s. 6d. The result of the financial arrangements above detailed are very satisfactory, and cannot fail to be considered as adding materially to the strength and stability of the bank. We are now engaged upon the erection of new bank premises at Batley—an outlay which the growing importance of the place fully justifies. We are deeply grieved to record the loss we have suffered by the death of Joshua Hirst Wheatley, Esq., a gentleman universally esteemed, and who was a most useful member of the board. The vacancy has been filled by the appointment of Richard Wheatley, Esq. The two directors retiring by rotation are Abraham Brooke and Samuel Wood Haigh, Esqrs., whom we recommend to you for re-election."

Notices of Books.

The Discount Guide: comprising several series of tables for the use of merchants, manufacturers, ironmongers, and others, by which may be ascertained the exact profit arising from any mode of using discounts, either in the purchase or sale of goods, and the method of either altering a rate of discount, or advancing a price, so as to produce, by one operation, a sum that will realize any required profit after allowing one or more discounts: to which are added tables of profit or advance from $1\frac{1}{4}$ to 90 per cent.; tables of discount from $1\frac{1}{4}$ to $9\frac{3}{4}$ per cent.; and tables of commission, &c., from $\frac{1}{4}$ to 10 per cent. By Henry Harben, Accountant. New edition, carefully revised and corrected. London: Crosby, Lockwood and Co. 1877.

A quotation from the preface to this volume will best explain the principle on which it is arranged, and the purposes to which it is adapted. "To many it is but imperfectly known that the same ratio of increase or decrease produces different effects upon different rates of discount; to such persons the following tables will afford all the facilities of a better acquaintance with the subject, while they will, it is believed, be found scarcely less advantageous to those who are fully sensible of the ever-varying results arising from the different modes in which discounts are used.

"The author is not aware that any tables comprising similar subjects to those contained in the first five series have hitherto been published, and he trusts they will be found highly useful for the several operations they are intended to elucidate, the more especially as the calculations necessary to produce the required answers are, in many instances, so tedious that few people in business have either time or inclination to perform them; and even the most expert arithmetician could not, by any ready mode, embrace at one view a sufficient number of solutions to enable him to form his judgment so correctly upon any question that might arise, as by the use of these tables he could do in a moment.

"The tables of advance and discount are, it is believed, calculated to higher rates than any that have before appeared; this was found necessary in order to carry out the principles of the other parts of the work, and when it is considered how many discounts beyond 50 per cent. are now used, they will doubtless be found of essential service. To complete the utility of the whole, tables of commission have been added, which may also be rendered available for the irregular per-centages that frequently occur in mercantile calculations."

In preparing this edition of Mr. Harben's work, Professor J. R. Young, the eminent mathematician, formerly of Belfast, was consulted. The tables, which are very numerous, appear to be drawn up with great accuracy, arranged with the utmost clearness, and the work to be generally admirably adapted to the purpose for which it is designed.

Journal of the Statistical and Social Inquiry Society of Ireland. December, 1876. Dublin: Edward Ponsonby.

The Journal of this Society for December contains several interesting papers on social questions, including the reports of the Charity Organization Committee, and a paper on Industrial Education. Besides these are several papers by Dr. W. Neilson Hancock, from one of which on the importance of extending the British gold standard with subsidiary silver coin to India, as a remedy for the inconveniences in India from the rapid depreciation of silver, we select the following remarks. We are glad to hail Dr. W. N. Hancock as a supporter of the advisability of introducing a gold standard into India. Referring to early currency difficulties, Dr. Hancock observes:—

"A similar derangement of the currency to that in the reign of Henry VIII. took place at the commencement of the reign of King William III., owing to the mismanagement in the reign of King Charles II. and King James II. The result was reported to the Treasury by Mr. Secretary Lowndes, in 1695. He reported—

"That, in consequence of the defective state of the silver coin, great contentions daily arose amongst the King's subjects in fairs, markets, shops, and other places throughout the kingdom, to the disturbance of the public peace; that many bargains and dealings were totally prevented and laid

aside, which lessened trade in general; that persons, before they concluded any bargain, were necessitated to settle the price or value of the very money they were to receive for their goods, and that they set a price on their goods accordingly; that these practices 'had been one great cause of the raising the price, not only of all merchandize, but of every article necessary for the sustenance of the common people, to their great grievance; that the receipt and collection of the public taxes, revenues and debts, were extremely retarded, to the damage of His Majesty.'

"In King William's time we had a double standard. King William's government, under the advice of Mr. Locke and Sir Isaac Newton, settled the difficulty by a reform of the currency, as the previous difficulty in the reign of Edward the VI. had been settled in the way commenced by the ministers of that monarch, and completed by Lord Burleigh in the reign of Queen Elizabeth. In both cases the successful solution of the difficulties led to the strengthening of the authority of the monarchs by whose ministers the reforms were completed. We now come to the case (most nearly resembling the present crisis) to which no remedy was applied. From the second year of the reign of King James I. inclusive, to the fifteenth of King Charles II., the fall in the value of silver compared with gold was very great and rapid, amounting to about 25 per cent., or a fourth.* Lord Liverpool's report as to this change, states:—

"The great inconveniences which the people of this kingdom suffered from the many and sudden changes during these sixty years, and the difficulties to which government was on that account exposed, are fully proved by many entries in the book of Your Majesty's Privy Council, and by the chronicles and writings of these times. The ministers who then served the Crown—among whom there were men of great knowledge and talents—particularly Sir Francis Bacon, the first philosopher of the age—had frequent consultations on this subject by order of their sovereign, and they took the advice of merchants, bankers, and other persons supposed to be best versed in a business of this nature, but they were never able to discover a sufficient remedy.'

"What Lord Bacon and the ministers of King James I. and King Charles I. were unable to discover, Locke partially discovered, and Lord Liverpool subsequently carried out—the selection as the single standard of value, of gold, the precious metal least subject to variations in value. The weakness of the governments of King James I. and King Charles I. in not dealing with this great question, and the loss of power consequent on that weakness, present a contrast to the ability of the government of Queen Elizabeth and King William III. in their currency legislation, and the strengthening of their power that resulted therefrom. Lord Liverpool's report describes the result of the reform in Queen Elizabeth's time:—

"The joy expressed at the completion of this reform was very great: the Parliament and people in their addresses to Queen Elizabeth always mentioned the reformation of the coin as one of the principal merits of her reign, and it is recorded as such in the epitaph on her tomb.'

"The early years of Her present Majesty's reign were distinguished by the great reform for securing the perfect convertibility of bank notes into gold, embodied in the Bank Act of 1844, which we owe to Sir Robert Peel and Lord Overstone. It would be a fortunate circumstance if the currency reform could be completed in the same reign; and the assumption of direct

* Lord Liverpool's report refers to this as a rise in the value of gold compared with silver of 32½ per cent., or a third.

sovereignty in British India marked by the rescuing of our fellow subjects from the serious evils in which the silver standard which prevails there has involved them, and the extending to them the benefits of the more perfect and stable system which we have so long enjoyed. In this way the sovereignty of the Queen would in the circulation of British rupees and British sovereigns, marked with their fixed proportions of rupees, be associated to the mind of every native of India with a lasting benefit conferred on himself and his country." (Page 71.)

Though we should not be prepared to speak of the Bank Acts of 1844-5 in quite the same tone of eulogium, we fully concur in the importance of the rectification of the standard of value in India.

Communications.

To the Editor of the "Bankers' Magazine."

MUTILATED CHEQUES.

SIR,—Having in your last December number expressed the opinion that the banker upon whom a mutilated cheque is drawn is liable in an action for dishonour if he refuses payment of such cheque upon the ground of its mutilation, will you kindly oblige by answering in your next issue the following question:—

Supposing a mutilated cheque to have fallen into dishonest hands, and they having joined the pieces together and presented it to the banker upon whom it was drawn, obtained payment, could not the drawer of such cheque recover the amount so paid from his banker? In asking this question, I am assuming the cheque to have been torn in two and thrown into the waste paper basket.

BANK CASHIER.

[You will see from our answer, to which you refer, that you cannot lay down a general rule. You must first decide what amounts to a mutilation and then apply it to a particular case, having due regard to the special circumstances of each case. It will serve no useful purpose for us to give our opinion on hypothecated cases.—Ed. Law Dep., B.M.]

CROSSED CHEQUES.

SIR,—May I ask if the following summary of the past and present law of crossed cheques is correct? I am unable to arrive at a very satisfactory settlement of the matter in my own mind. Formerly the effect of crossing a cheque either with the name of a banker, or the words "and Co.," was to make that cheque payable only to a banker, so that it was supposed not to be negotiable, and the person to whom such crossed cheque was given must have paid it into the bank, and not to any other person. Now, however, the case of *Smith v. Union Bank of London* seems to have taken away this supposed security; so that if a cheque be crossed simply with the name of a banker, or the words "and Co.," this crossing has no effect on the cheque, and it still remains negotiable. To remedy this the Act 39 & 40 Vict., cap. 81, provides that where it is intended that a cheque shall not be negotiable, it is necessary to add to the crossing the words "not negotiable," and then it can only be paid to a banker, and cannot be passed on from one party to another, and any person who takes a cheque crossed with the words "not negotiable" takes it at his peril, and he will have no better title than the person from whom he took it. In short, under the

new Act, a cheque crossed with the additional words "not negotiable," will really now give the same security as a cheque formerly crossed with simply the words "and Co.," was supposed to give.

[Yes.—ED. LAW DEPT.]

LAWYER.

CASH ORDERS.

SIR,—Since many large firms still persist in the annoying practice of making use of their bankers to send cash orders for collection, generally meaning the calling in of over-due debts, would it not be a fair and desirable plan for country bankers to adopt the system of charging one shilling in each case for the trouble of presenting these cash orders, whether they are paid or not?

I am, Sir, your obedient servant,

CASHIER.

ENDORSEMENT OF A BILL.

DEAR SIR,—I shall feel very much obliged by your answering in the next edition of "The Bankers' Magazine," the annexed query.

Yours faithfully,

AN OLD SUBSCRIBER.

A.B. draws a bill of exchange payable to his order, which he discharges; at the same time he hands it to C.D. for value, who subsequently *underneath* A.B.'s endorsement makes it payable to E.F.

Query.—Would E.F. be justified in refusing to discharge it, giving as his reason for so doing, that A.B. having discharged the instrument, it became payable to bearer?

[We think not. It would be contrary to the custom of bankers to pay the bill without such discharge.—ED. B.M.]

ENDORSEMENT OF CHEQUES.

SIR,—A cheque is made payable to the order of "John Brown," and endorsed by him as "J. Brown." Are the bankers upon whom the cheque is drawn justified in paying upon such an endorsement?

My own impression is, that in cases where the specification of the payee is definite (that is to say, when the name is given in full), the endorsement ought to correspond, but in cases where the specification of the payee is indefinite, the use of *either* his surname or his initial may be accepted as a sufficient endorsement.

Thanking you in anticipation,

I am, Sir, yours truly,
W.

[We beg to refer our correspondent to the communications and replies, referring to similar points of practice, in our preceding numbers, January, February, and March.—ED. B.M.]

ENDORSEMENT IN PENCIL.

SIR,—Be kind enough to let me know if a banker is entitled to refuse payment of a cheque payable to order, because it is endorsed in pencil?

In a lecture delivered by Professor Leone Levi, and reported in your

Magazine last summer, he stated that "a bill drawn in pencil is quite a good document."

I am, yours faithfully,

IGNORAMUS.

[We think not. On the contrary, we consider an endorsement in pencil is valid.—ED. B.M.]

[N.B.—Lack of space compels us to leave over some Communications till next month.]

Notes of the Month.

A SERIOUS robbery of titles of Italian Rente and Franco-Egyptian Bank Shares took place on March 6th at the clearing-house of the Paris Agents de Change. A messenger sent with a parcel of those securities, representing a sum of nearly £30,000, had laid it on a table for a moment while he went to transact business in another office, and on his return it had disappeared.

The liquidators of Overend, Gurney, and Co. (Limited) in their report for the past year, state that they realized £39,898 during the year from the assets, and paid back a further 10s. per share on all the shares on which the calls had been paid. At the end of 1875 the estimated value of the Class A assets was £7,501, and the liquidators have realized £1,287 of this. The B assets were at the same date valued at £187,461, and these have yielded £15,657 within the past year, £6,060 has been obtained principally in dividends from old-failed estates which were not included in the classified assets, and the "life interest" has yielded £16,943. There were various other small receipts, including unexpected money due on unpaid calls. The liquidators have £17,761 in hand towards a further repayment to the shareholders, which they expect to make in April.

The Anglo-Californian Bank has declared an interim dividend of 10s. per share for the half-year ended 31st December, being at the rate of 10 per cent. per annum.

The Commercial Bank of Manchester state that the business for the last half-year was largely in excess of the previous six months, and has extended as far as the present capital (£16,442) will permit.

The Bank of Australasia has declared a half-yearly dividend at the rate of 12½ per cent. per annum. This distribution is the same as at the corresponding period of last year.

The Colonial Bank of New Zealand has resolved to pay a dividend for the past half-year at the rate of 6 per cent. per annum. To the reserve fund £2,500 is added, raising it to £10,000, and the balance is carried forward.

The directors of the Ionian Bank have declared a dividend for the half-year ended the 31st December at the rate of 6 per cent., and in addition thereto a bonus at the rate of 2 per cent., together, 8 per cent. per annum.

We are informed that Mr. Henry Tuke has retired on a pension from the management of Messrs. Backhouse and Co's. branch at Bishop Auckland, and that Mr. Babington Boulton has been appointed to succeed him.

TENDERS FOR BILLS ON INDIA.

The tenders for £350,000 in bills and telegrams on India were received 24th January at the Bank of England. The amounts allotted were—To Calcutta, £136,000, average rate 1s. 10³/₄d.; to Bombay, £150,000, average rate, 1s. 10³/₄d., and to Madras, £1,000, average rate, 1s. 10²/₅d. Tenders on all Presidencies

for bills at 1s. 10½d. will receive in full, for telegrams on Bombay at that price about 75 per cent.; no allotment below.

The tenders for £350,000 in bills and telegraphic transfers on India were received 31st January at the Bank of England. The amounts allotted were—To Calcutta, £41,080, at an average rate of 1s. 10½d., and to Bombay £88,000, at an average rate of 1s. 10¼d. Tenders on both Presidencies for bills at 1s. 10d., and telegrams at 1s. 10 1-16d., will receive in full; no allotment below these prices respectively.

Tenders for £175,000 in bills and telegrams on India were received 7th February at the Bank of England. The amounts allotted were—To Calcutta, £37,381, at an average rate of 1s. 10¼d.; and to Madras, £2,000, at an average rate of 1s. 10¾d. Tenders on Calcutta and Madras at 1s. 10d. for bills and 1s. 10 1-16d. for telegrams will receive in full; no allotment below those prices.

The tenders for £175,000 in bills and telegrams on India were received 14th February at the Bank of England. The amounts allotted were—To Calcutta, £137,000, at an average rate of 1s. 9¾d.; to Bombay, £36,000, at an average rate of 1s. 10¼d.; and to Madras, £2,000, at an average rate of 1s. 10d. Tenders on all Presidencies at 1s. 9½d. for bills and 1s. 9 5-16d. for telegrams will receive about 93 per cent., above in full.

The tenders for £175,000 in bills and telegrams on India were received February 28 at the Bank of England. The amounts allotted were—to Calcutta £133,000, at an average rate of 1s. 9¾d.; to Bombay, £41,000, at an average rate of 1s. 9 6-16d.; and to Madras, £1,000, at an average rate of 1s. 9 6-16d. Tenders on Calcutta and Madras at 1s. 9½d. for bills and 1s. 9 11-16d. for telegrams, will receive in full; on Bombay, at 1s. 9½d. for telegrams, about 20 per cent.; no allotments below those prices.

The tenders for £175,000 in bills and telegrams on India were received March 7 at the Bank of England. The amounts allotted were—to Calcutta, £169,000, at an average rate of 1s. 9 7-16d.; to Bombay, £5,000, at an average rate of 1s. 9 7-16d.; and to Madras, £1,000, at an average rate of 1s. 9 6-16d. Tenders on all Presidencies for telegrams at 1s. 9½d. will receive about 81 per cent. for bills at that price, and all above in full.

The tenders for £175,000 in bills and telegraphic transfers on India were received March 14 at the Bank of England. The amounts allotted were—to Calcutta, £100,000, at an average rate of 1s. 9 2-16d.; and to Bombay, £75,000, at an average rate of 1s. 9 2-16d. Tenders on Calcutta for telegrams at 1s. 9½d. will receive about 78 per cent. for bills at that price, and above in full; on Bombay, telegrams at 1s. 9½d. in full; no allotments below this price.

The tenders for £175,000 in bills and telegrams on India were received March 21st at the Bank of England. The amounts allotted were—To Calcutta, £100,000, at an average rate of 1s. 8 5-16d., and to Bombay, £75,000, at an average rate of 1s. 8 5-16d. Tenders on Calcutta for bills at 1s. 8 9-16d. will receive in full; on Bombay, at 1s. 8½d. for telegrams, and 1s. 8 9-16d. for bills about 75 per cent.

MONTHLY CHRONOLOGY.

March 5th.—The inauguration of Mr. Hayes as President of the United States was formally celebrated to-day at Washington.

8th.—The tenders for the City of Wellington (New Zealand) six per cent. loan of £200,000 were opened to-day at the Bank of New Zealand. The prices ranged from £100 to £105, and those at and above £101. 17s. 6d. obtain allotments in full.

12th.—M. Ferdinand de Lesseps announces from Cairo that the Canal Ismailieh, uniting the Nile with Lake Timsah, will be officially inaugurated on the 9th of April next.

12th.—It is announced that the necessary funds for the payment of the April coupon of the Egyptian secured loan of 1864 are in the Treasury of the public debt.

12th.—The first Turkish Parliament was opened at Constantinople to-day by

the Sultan in person, in presence of the Ministers, the dignitaries of the State, the Civil, Military, and religious authorities, and the foreign Chargé d'Affaires.

14th.—The Khedive of Egypt to-day formally presented to the British nation, through the British Diplomatic Agent and Consul-General at Alexandria, the obelisk known as Cleopatra's Needle.

BANKING AMALGAMATION.

The amalgamation of two Bristol private banks has taken place, Messrs. Cave, Miles, Baillie, Edwards, Baillie, and Cave (Old Bank) being fused with the firm of Miles, Harford, and Miles. The London agents of the former were Prescott and Co., and Smith, Payne, and Smiths; and of the latter, Barnetts and Co.

OBITUARY.

Cox.—On the 18th March, William Thomas Cox, Esq., J.P., of Spondon Hall, Derbyshire, for thirty-four years a director and deputy-chairman of the Derby and Derbyshire Banking Co., formerly M.P. for Derby, and High Sheriff for the County.

BAGEHOT.—We record with great regret the death of Mr. Walter Bagehot, well known and highly esteemed as the editor of the "Economist," and as a thoughtful and lucid writer on Banking and Political Economy; he died on Saturday the 24th March, at the house of his father, at Langport, Somersetshire, in the 62nd year of his age.

Monetary Review.

THE increase in the value of money to which we adverted in our last month's review did not relapse at the beginning of this month; the approach of the 4th acted as a stimulus to the better tone already existing, and created a demand sufficient to mark a further distinct rise, added to which the German Government appeared again on the scene as requiring further supplies of gold, and by withdrawing some thousands from the Bank helped to diminish further the already decreased stores of that establishment, and so contributed to keep alive views of a return to a higher and healthier rate for money. Several causes may be taken account of in considering the firmer condition which has become manifest in the money market. The period of the year—the last month of the country's financial year—exercises an important influence upon the financial current; heavy payments have to be made to the Government account, whilst at the same time the approach of the quarter, when balances have to be struck, induces a desire to keep good supplies in hand. Again, there is the invitation of the Government for an immediate supply of money, by tenders for *Treasury bills*, to the amount of £2,200,000, under the new Act just passed for that purpose, and thus promptly put to work. The bills will be in amounts of £1,000, £5,000, or £10,000, payable three or six months after date. This proceeding of the Government is a step in the right direction, and one likely to prove of advantage to the country in respect of its financial arrangements and to the monied interest as a means for safe disposal of surplus cashes. Beyond this there is the question of supplying the Indian Government requirements looming in the distance, foreshadowed, however, by the summary of the Indian budget already received. The coming increase in the amount of Council bills, the price of silver and the

depreciation of rupees will have bearings upon the operations required to be carried out in this quarter. Though money has been slowly moving upwards in value for some time, the process has gone on without any very perceptible increase in the demand for discount purposes so far as any important increase of commercial bills is concerned. The market, however, appears to have been relieved of that plethora with which it was for a long period overcharged. Stock Exchange business has lately assumed a more quiet character; there has been a subsidence of those violent fluctuations arising from heavy transactions of an international nature in foreign stocks, and a good deal of the money employed lately in that way has been withdrawn, whilst the calmer feeling prevailing abroad on the question of war has contributed to relieve this market of money which can be employed to more advantage in other channels; under these circumstances, with a market no longer labouring under the weight of a superabundant supply, it would not take much to bring about a further rise in the outside value of money in case of the Bank being obliged to raise its rate for the sake of protecting its reserve of gold.

The political aspect still continues chiefly to mould the course of the stock markets. At the beginning of the month the arrangement of terms of peace between Turkey and Servia produced a favourable effect upon prices. Leading, however, as it did, to expectations that the Russian attitude towards Turkey would be changed by this event, the movement in prices was less than might have been expected; the news fell upon a sluggish market, where the spirit of speculation was no longer rife; still the tendency continued upwards. The journeyings and conversations of General Ignatieff were interpreted as signs of Russia's desire still to bring about a solution of the Eastern question without resorting to the last appeal of war. The visit of the General to this country, and an assumption that terms of agreement between the powers were being arrived at which would lead to the demobilisation of the Russian armies, caused more buoyancy on the Stock Exchange than had been witnessed for some time, and a pretty general rise ensued, but more particularly marked in those foreign stocks which represent international dealings, Russian and Egyptian Stocks showing the principal rise, whilst Turkish and Hungarian were influenced in a lesser degree. Argentine Stocks, on the contrary, were considerably depressed, by publication of some budget figures of that Republic.

English Government Securities, though they have maintained their price, did not participate to any extent in the rise we have mentioned; on the contrary, the scarcity of money induced realisations of consols. Colonial Government Securities, after having advanced in the early part of the month, respond later on to the increased value of money, and mark some reductions in prices accordingly. English Railway Securities are fairly supported, though without much animation: the chances of money going dearer do not favour higher prices in this market. American Railroad Securities have been very adversely affected by the unfavorable

condition of the coal companies, and the complications which have arisen in connection with these companies have thrown a general distrust upon such securities in this market. Messrs. McCulloch and Co., in their New York Circular of 1st March, thus refer to the state of the market there:—

“In the investment market, the uneasy feeling noted in our last as arising from the late misfortunes of the coal companies has resulted in a sharp and general decline in prices. Even New York Central Shares have fallen $7\frac{1}{2}$ per cent., and other stocks in like proportion. This decline, it is true, has been the immediate result of speculative attack; but the success of the attack was due to the feebleness of confidence among holders of securities. Indeed, the market appears to have been entirely at the mercy of the “bear” class of operators, so inoperative are the elements of strength at the moment. Yesterday, the market took an upward turn, in consequence of purchases to cover speculative sales, and partly also owing to a report that arrangements are likely to be soon consummated by which the Chicago and North-Western will become the permanent eastward connection of the Union Pacific. And for this rumour there appears to be some warrant. From the best sources of information it is ascertained that, both in Holland and in this country, there has been for some time past a movement in progress by which the holders of the securities of one of the companies have become to a large extent holders of those of the other; and it is understood that, already, there exists a sufficient mutuality of proprietorship to insure the union of the interests alluded to; and it is anticipated that a corresponding harmonising of management will appear at the forthcoming election of directors of the Chicago and North-Western Railroad. While such an arrangement would prove a great advantage to the Chicago and North-Western, it would be equally a misfortune to the Chicago, Burlington, and Quincy, which would in a large measure cease to receive freight from the Union Pacific.”

The first issue of the new Treasury bills has just taken place. Tenders were sent in for £2,384,000 at three months, and £970,000 at six months. The result of this transaction is that the Government get their bills discounted on rather lower terms than those current for the best bills in the market.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to **the Proprietors, Waterlow & Sons Limited, 25, Great Winchester Street, London**, who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in *the issue* of the month next but one after that on which they are received.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1876.	£	£	%	£	£	£
June 7	27,780,010	26,790,095	96	14,575,818	17,484,551	8,971,487
14	27,201,615	27,509,195	101	14,594,223	17,004,986	8,558,129
21	27,006,170	28,466,060	105	14,611,341	16,901,002	8,532,991
28	27,661,255	29,063,595	105	14,611,952	17,122,865	9,069,793
July 5	28,408,850	29,371,085	103	15,399,705	17,400,313	8,766,333
12	28,272,045	30,042,680	106	15,399,705	17,493,334	4,810,839
19	28,369,275	31,385,850	110	15,335,777	17,217,416	4,732,174
26	28,314,640	31,136,850	110	15,405,977	17,011,493	4,982,160
Aug. 2	28,931,980	32,725,370	113	15,702,325	16,896,302	5,303,493
9	28,925,655	32,912,070	114	15,617,896	16,181,455	5,440,031
16	28,587,570	33,884,915	118	15,459,133	15,967,890	5,490,302
23	28,221,815	33,217,215	117	15,259,133	15,945,490	5,305,436
30	28,087,975	33,040,795	118	15,259,133	15,854,353	5,768,584
Sept. 6	28,179,985	33,599,770	119	15,260,463	16,401,132	5,974,133
13	27,876,800	34,176,790	122	15,222,963	16,023,575	6,289,384
20	27,773,460	34,205,975	123	15,229,155	16,015,085	6,591,284
27	27,973,390	34,049,270	122	15,300,264	16,010,461	7,043,838
Oct. 4	29,249,745	34,127,760	117	15,712,817	15,906,720	6,383,517
11	29,095,750	33,514,385	115	15,202,925	16,018,786	6,181,234
18	28,961,050	32,712,360	113	17,802,925	16,107,468	5,422,087
25	28,541,080	32,775,515	114	17,202,925	16,162,097	5,543,444
Nov. 1	28,782,855	32,190,735	112	17,008,228	16,639,955	5,781,462
8	28,504,940	31,019,690	109	16,308,228	16,538,345	5,666,471
15	28,037,050	30,248,020	108	15,739,297	16,502,061	5,566,667
22	27,802,905	29,643,670	107	15,739,297	16,542,567	6,037,391
29	27,554,155	28,823,170	104	15,739,297	16,752,031	6,538,842
Dec. 6	27,612,925	28,544,460	103	15,832,797	17,102,566	6,398,081
13	27,196,160	28,199,140	104	15,833,004	17,017,236	7,231,822
20	27,460,980	28,082,925	102	15,934,208	17,083,627	7,785,933
27	27,898,255	27,810,945	100	15,958,653	17,518,852	8,178,488
1877.						
Jan. 3	28,622,775	27,533,430	96	15,969,162	19,582,320	6,203,440
10	28,302,820	27,351,155	96	18,766,486	17,516,675	4,378,157
17	28,037,420	26,484,920	94	18,267,876	17,676,106	3,955,536
24	27,638,950	26,319,380	95	17,317,876	17,762,841	4,101,623
31	27,592,885	26,650,241	97	16,367,876	17,732,917	4,837,165
Feb. 7	27,814,430	25,624,520	92	16,001,441	17,787,156	5,613,338
14	27,541,435	25,590,545	93	16,001,441	17,818,123	6,632,609
21	27,177,240	25,824,255	95	16,026,176	17,576,949	6,857,731
28	27,216,605	26,010,290	96	16,028,176	19,071,302	7,215,293
Mar. 7	27,347,790	25,510,290	93	15,988,176	19,049,118	8,295,675
14	27,058,190	25,554,275	94	15,998,532	19,103,570	8,695,941

For the corresponding statement, from January to October, 1876, see page 343 of "The Banking Almanac" for 1877.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount
1876.	£	£	£	£	%	
June 7	20,048,680	276,968	29,297,135	14,867,171	51	2
14	21,396,232	305,910	30,260,271	16,292,405	54	—
21	22,524,303	294,640	31,351,834	17,474,443	55	—
28	22,072,398	252,743	31,394,934	17,298,167	55	—
July 5	22,708,423	303,333	31,778,089	16,781,842	53	—
12	27,635,123	299,647	32,745,609	17,704,436	54	—
19	28,559,404	311,024	33,602,603	18,934,701	56	—
26	28,960,784	309,364	34,252,308	19,723,286	58	—
Aug. 2	28,688,877	321,219	34,313,589	19,621,201	57	—
9	27,992,567	325,224	33,767,822	19,876,523	59	—
16	28,644,306	362,741	34,497,349	21,018,406	61	—
23	28,252,255	389,520	33,947,211	20,672,917	60	—
30	27,686,451	364,589	33,819,624	20,621,351	61	—
Sept. 6	28,003,701	440,828	34,418,662	20,987,267	61	—
13	28,271,987	419,640	34,981,011	21,967,897	63	—
20	28,284,981	370,618	35,246,883	22,244,069	63	—
27	27,517,747	357,924	34,919,509	21,851,251	63	—
Oct. 4	27,196,160	373,151	33,952,828	20,566,672	60	—
11	30,003,658	416,160	63,601,052	19,999,772	55	—
18	29,857,947	401,432	35,681,466	19,396,451	45	—
25	29,488,402	358,306	35,390,152	19,653,789	55	—
Nov. 1	29,103,020	366,409	35,250,891	19,218,686	54	—
8	27,393,442	369,778	33,429,691	18,200,927	54	—
15	26,642,056	380,328	21,489,051	17,870,258	55	—
22	26,914,347	360,080	32,311,818	17,653,891	54	—
29	24,916,197	348,338	31,303,377	16,902,034	53	—
Dec. 6	25,427,699	311,946	32,137,726	16,787,290	52	—
13	24,505,596	334,620	32,072,038	16,809,930	52	—
20	23,634,924	321,397	31,742,254	16,315,553	52	—
27	22,875,676	299,153	31,348,317	15,467,179	49	—
1877.						
Jan. 3	25,936,786	328,619	32,468,845	14,591,390	45	—
10	28,385,591	381,955	33,140,703	14,694,912	44	—
17	28,086,715	349,136	32,391,387	14,317,794	44	—
24	27,365,718	331,834	31,799,175	14,591,076	46	—
31	25,146,245	315,669	30,299,079	14,057,356	46	—
Feb. 7	23,520,174	329,031	29,462,543	13,562,473	46	—
14	22,890,468	297,860	29,820,937	13,896,824	47	—
21	23,152,710	280,370	30,290,811	14,581,064	48	—
28	24,039,409	258,794	31,513,496	14,704,822	47	—
Mar. 7	22,235,162	302,062	30,832,899	14,086,465	45	—
14	22,289,135	264,315	31,249,391	14,441,048	46	—

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

PUBLIC INCOME AND EXPENDITURE.

THE following are the receipts into and payment out of the Exchequer between April 1, 1876, and March 17, 1877 :—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1876-77.	Total Receipts into the Exche- quer from April 1, 1876, to Mar. 17, 1877.	Total Receipts into the Exche- quer from April 1, 1876, to Mar. 18, 1876.
Balance, April 1, 1876.	£	£	£
Bank of England	—	3,826,896	4,662,261
Bank of Ireland	—	1,292,691	1,603,061
		5,119,587	6,265,322
REVENUE.			
Customs	20,250,000	19,203,000	19,315,000
Excise	27,624,000	27,003,000	26,946,000
Stamps	11,000,000	10,447,000	10,565,000
Land Tax & House Duty	2,500,000	2,339,000	2,364,000
Property and Income Tax	5,268,000	4,730,000	3,860,000
Post Office	5,950,000	5,958,000	5,870,000
Telegraph Service	1,325,000	1,250,000	1,200,000
Crown Lands	395,000	388,000	378,000
Miscellaneous	4,100,000	4,115,849	3,929,459
Revenue	78,412,000	75,433,849	74,427,459
Total, including balance		80,553,436	80,692,781
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)		700,000	—
Advances under various Acts, repaid to Exchequer		1,495,062	1,703,964
Money raised for Fortifications & Military Barracks		750,000	250,000
Money raised for Local Loans by Exchequer Bonds		1,000,000	1,500,000
Temporary Advances, not repaid		—	—
Totals	£	84,498,498	84,146,745

EXPENDITURE AND OTHER PAYMENTS.

	Estimate for the Financial Year 1876-77.	Total Issues out of Exchequer to meet Payments from April 1, 187 to Mar. 17, 1877.	Total Issues out of Exchequer to meet Payments from April 1, 1876 to Mar. 18, 1876.
EXPENDITURE.			
Permanent charge of Debt	*27,700,000	26,969,129	26,813,759
Interest on Local & Temporary Loans	*160,000	91,000	26,250
Interest &c., on Excheqr. Bnds. (Suez)	*150,000	75,000	—
Other charges on Consolidated Fund	*1,590,000	1,508,420	1,475,840
Supply Services	†48,557,000	43,323,688	44,503,434
Estimate	78,157,000		
Expenditure		71,967,237	72,819,283
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		4,100,613	4,336,827
Expenses of Fortifications and Military Barracks		750,000	250,000
Exchequer Bills paid off		117,700	37,500
Surplus income applied to reduce debt		—	331,867
		76,935,550	77,775,477
Balances on March 17, 1877 :—			
Bank of England		6,442,666	5,091,282
Bank of Ireland		1,120,282	1,279,986
Totals	£	84,498,498	84,146,745

As stated in the Budget.

† As granted by the Appropriation Act.

BANK OF FRANCE.

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DEBTOR.

	Feb. 22.		Mar. 1.		Mar. 8.		Mar. 15.	
	F.	C.	F.	C.	F.	C.	F.	C.
Capital of the Bank ...	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54
Reserve of the Bank and its branches ...	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14
Reserve of landed property ...	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Special Reserve ...	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97
Notes in circulation ...	2,615,044,270	0	2,632,541,190	0	2,678,204,125	0	2,661,683,635	0
Bank-notes to order and receipts payable at sight ...	28,998,498	6	30,998,418	71	31,550,354	98	32,784,719	68
Treasury account current, creditor ...	87,400,711	52	74,048,639	58	73,714,145	22	68,622,121	2
Current accounts, Paris Do., branch banks ...	368,719,387	10	338,863,007	31	366,892,215	39	387,292,665	35
Dividends payable ...	35,667,670	0	38,216,552	0	37,913,904	0	43,815,384	0
Interest on securities transferred or deposited ...	2,476,070	0	2,271,210	0	2,114,380	0	1,990,255	0
Discounts and sundry interests ...	4,815,155	83	3,972,446	40	4,063,327	80	3,533,258	77
Re-discounted the last six months ...	3,243,133	77	3,533,568	39	3,859,400	85	4,298,007	92
Bills not disposable ...	1,662,127	11	1,662,127	11	1,662,127	11	1,662,127	11
Reserve for eventual losses on prolonged bills ...	2,921,398	18	21,461,601	72	2,646,946	27	2,509,920	74
Sundries ...	6,980,000	0	6,980,000	0	6,980,000	0	6,980,000	0
	12,046,134	85	11,686,723	34	12,211,980	85	11,604,097	94
Total ...	3,404,256,820	7	3,400,505,755	21	3,356,098,201	2	3,359,967,666	18

CREDITOR.

	Feb. 22.		Mar. 1.		Mar. 8.		Mar. 15.	
	F.	C.	F.	C.	F.	C.	F.	C.
Cash in hand and in branch banks ...	2,230,899,401	13	2,219,948,215	48	2,216,832,706	24	2,211,646,614	67
Commercial bills overdue ...	83,224	26	5,061,509	73	126,313	98	119,478	79
Commercial bills discounted, not yet due	218,896,879	63	197,991,259	58	201,186,873	12	209,289,646	18
Treasury bonds ...	338,845,000	0	338,845,000	0	338,845,000	0	338,845,000	0
Commercial bills, branch banks ...	222,367,357	0	225,298,275	0	204,991,663	0	201,125,146	0
Advances on deposits of bullion ...	14,746,700	0	15,105,000	0	16,100,800	0	16,598,000	0
Do. in branch banks ...	1,374,700	0	1,424,800	0	1,580,800	0	1,687,100	0
Do. in French public securities ...	27,237,400	0	27,394,100	0	27,111,600	0	27,295,300	0
Do. by branch banks ...	19,961,150	0	20,041,060	0	19,763,950	0	19,754,850	0
Do. on railway shares and debentures ...	16,005,300	0	15,888,000	0	15,805,000	0	15,831,600	0
Do. by branch banks ...	12,929,260	0	12,907,960	0	12,869,560	0	13,283,450	0
Do. on Crédit Foncier bonds ...	1,258,000	0	1,259,400	0	1,250,400	0	1,263,600	0
Do. branches ...	734,600	0	738,900	0	711,000	0	813,800	0
Do. to the State (Convention June 10, 1857) ...	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0
Government stock reserve ...	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14
Do. disposable ...	76,313,613	82	76,313,613	82	76,313,613	82	76,313,613	82
Rentes Immobilières (Law of June 9, 1857) ...	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
Hotel and furniture of the Bank, and landed property of branches	9,065,929	0	9,180,187	0	9,180,990	0	9,320,654	0
Expenses of management ...	387,176	74	902,727	54	973,641	9	995,186	39
Employ of the Special Reserve ...	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97
Sundries ...	22,463,178	38	41,530,806	95	21,969,339	56	24,819,766	32
Total ...	3,404,256,820	7	3,400,505,755	21	3,356,098,201	2	3,359,967,666	18

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1877. Feb. 28.	1877. Mar. 7.	1877. Mar. 14.	1877. Mar. 21.
Notes issued	£ 41,010,290	£ 40,510,290	£ 40,554,275	£ 40,465,540
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion	26,010,290	25,510,290	25,554,275	25,465,540
Silver Bullion:				
	41,010,290	40,510,290	40,554,275	40,465,540

BANKING DEPARTMENT.

	1877. Feb. 28.	1877. Mar. 7.	1877. Mar. 14.	1877. Mar. 21.
Proprietors' capital	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve	3,735,904	3,737,680	3,740,759	3,752,277
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts):	7,215,293	8,295,675	8,695,941	8,883,936
Other deposits	24,039,409	22,235,132	22,299,135	22,264,911
Seven day and other bills	258,794	802,062	264,315	267,221
	49,802,300	49,123,759	49,543,150	49,721,345
Government Securities	16,026,176	15,988,176	15,998,532	16,002,035
Other Securities	19,071,302	19,049,118	19,103,670	19,344,179
Notes	13,793,686	13,162,500	13,469,085	13,534,345
Gold and Silver coin	911,137	983,968	944,963	840,796
	49,802,300	49,123,759	49,543,150	49,721,345

THE EXCHANGES.

	Mar. 2.	Mar. 9.	Mar. 16.	Mar. 23.
Amsterdam, short	12 1½	12 1½	12 1½	12 1½
Ditto 3 months	12 3¼	12 3¼	12 3¼	12 3¼
Rotterdam, ditto	12 3¼	12 3¼	12 3¼	12 3¼
Antwerp and Brussels, ditto	25 37½	25 37½	25 37½	25 40
Paris, short	25 20	25 20	25 22½	25 25
Ditto 3 months	25 32½	25 32½	25 35	25 37½
Marseilles, ditto	25 35	25 35	25 35	25 37½
Hamburg, ditto	20 63	20 63	20 64	20 63
Berlin, ditto	20 64	20 63	20 64	20 63
Leipsic, ditto	20 64	20 63	20 64	20 63
Frankfurt-on-the-Main, ditto	20 64	20 63	20 64	20 63
Petersburg, ditto	29½	29	29	29
Copenhagen, ditto	18 55	18 60	18 55	18 55
Vienna, ditto	12 65	12 65	12 62½	12 50
Trieste, ditto	12 65	12 65	12 62½	12 50
Zurich and Basle, ditto	25 40	25 40	25 40	25 40
Madrid, ditto	47½	47½	47½	47
Cadiz, ditto	48½	48½	48½	48½
Seville, ditto	48½	48½	48½	48½
Barcelona, ditto	48½	48½	48½	48½
Malaga, ditto	48½	48½	48½	48
Granada, ditto	48	48	47½	47½
Santander, ditto	48	48	48	48
Bilboa, ditto	47½	47½	47½	47½
Zaragoza, ditto	47½	47½	47½	47½
Genoa, Milan, Leghorn, ditto	27 67½	27 65	27 60	27 55
Venice, ditto	27 67½	27 65	27 60	27 55
Naples, ditto	27 67½	27 65	27 60	27 55
Palermo and Messina, ditto	27 67½	27 65	27 60	27 55
Lisbon, 90 days	52½	52½	52½	52½
Oporto, ditto	52½	52½	52½	52½
Rio Janeiro, 60 days	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 6	3 17 9	3 17 9½	3 17 9½
Mexican Dollars	0 4 8½	0 4 8½	0 4 6½	0 4 5½
Silver in Bars (Standard)	0 4 8½	0 4 7½	0 4 6½	0 4 5½

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
"	207 Private Banks	5,153,407
"	72 Joint Stock Banks	3,495,446
Scotland—	12 Joint Stock Banks	8,087,269
Ireland—	6 Joint Stock Banks	6,354,494

£32,090,556

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£475,000
1861—July 10th	175,000
1866—Feb. 21st	350,000

1,090,000

£33,090,556

Deduct Lapsed Issues—

England—	88 Private Banks	£1,345,415
"	20 Joint Stock Banks	907,895

Scotland— 1 Joint Stock Bank, combining two issues, namely:—

Ayrshire Bank	£58,656
Western Bank of Scotland	284,282

887,938

2,591,248

£30,499,308

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
"	118 Private Banks	8,807,992
"	52 Joint Stock Banks	2,587,551
Scotland—	† 11 Joint Stock Banks	2,749,271
Ireland—	6 Joint Stock Banks	6,354,494

£30,499,308

*NOTE.—The number of Private Banks authorized to issue their own notes in England, by the Act of 1844, was 207

Diminished in number by amalgamation 6

Lapsed Issues 88

94

118

† The number of Banks authorized to issue their own notes in Scotland, by the Act of 1845, was 19

Diminished in number by amalgamation 6

Lapsed Issues, as stated above 2

11

ENGLISH FUNDS.

	Price on Mar. 23.	Highest.	Lowest.	Price on Feb. 23.
Consols	96½	96½	96	96½
Exchequer Bills	11/ pm.	16/ pm.	7/ pm.	17/ pm.

Bank Rate of Discount 2 per cent.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Jan. 27.	Feb. 3.	Feb. 10.	Feb. 17.
	£	£	£	£	£
1 Ashford Bank	11,849	9,858	9,585	10,011	9,835
2 Aylesbury Old Bank	48,461	18,441	19,135	18,695	18,068
3 Baldock and Biggleswade Bank	37,223	15,956	15,648	15,333	15,806
4 Barnstable Bank	17,182	8,000	2,785	2,750	2,761
5 Bedford Bank	34,218	28,115	27,928	26,713	25,826
6 Bicester and Oxfordshire Bank	27,090	13,611	13,884	13,871	13,444
7 Boston Bank—Garfit and Co.	75,069	55,318	52,430	50,460	47,590
8 Bristol Bank	48,277	18,593	17,593	17,434	17,506
9 Broseley and Bridgnorth Bank	26,717	13,440	12,569	12,337	12,748
10 Buckingham Bank	29,657	18,051	16,991	18,023	17,895
11 Bury and Suffolk Bank	82,362	34,127	33,790	34,255	33,780
12 Banbury Bank	43,457	22,587	22,245	21,648	21,613
13 Banbury Old Bank	55,153	18,009	17,995	18,239	18,231
14 Bedfordshire Leighton Buzzard Bk.	36,829	30,062	30,042	31,157	29,906
15 Brecon Old Bank	68,271	27,291	25,412	25,627	24,154
16 Brighton Union Bank	33,794	22,236	22,282	21,521	21,765
17 Burlington and Driffield Bank	12,745	11,253	11,520	11,393	11,763
18 Bury St. Edmunds Bank	9,201	1,423	1,606	1,733	1,373
19 Cambridge Bank—Mortlock & Co.	25,744	13,005	13,146	13,828	12,985
20 Cambridge and Cambridgeshire Bank	49,916	39,791	38,865	37,970	38,109
21 Canterbury Bank	33,671	19,359	19,194	18,217	17,720
22 Colchester Bank	25,082	9,991	10,105	10,039	9,565
23 Colchester and Essex Bank	48,704	24,024	24,362	24,036	24,324
24 Cornish Bank	49,869	27,545	25,687	25,154	24,933
25 City Bank, Exeter	21,527	12,023	11,424	12,206	11,920
26 Craven Bank—Birkbeck and Co.	77,154	64,651	66,371	67,893	67,286
27 Derby Bank—Messrs. Evans and Co.	13,332	10,469	11,112	11,089	10,316
28 Derby Bank—Smith and Co.	41,304	26,680	27,821	29,323	28,726
29 Derby Old Bank	27,237	23,635	25,528	26,165	26,037
30 Devizes and Wiltshire Bank	20,674	5,046	4,870	4,645	4,636
31 Darlington Bank	86,218	81,313	82,640	83,328	82,267
32 Devonport Bank	10,664	4,220	4,301	3,931	4,022
33 Dorchester Old Bank	48,807	33,742	33,199	33,147	32,565
34 East Cornwall Bank	112,280	77,435	75,861	74,733	73,168
35 East Riding Bank	53,392	53,041	53,759	53,665	51,599
36 Essex Bk. and Bishop's Stortford Bk.	69,637	34,922	33,857	34,265	33,519
37 Exeter Bank	37,894	17,605	17,251	17,303	16,095
38 Farnham Bank	14,202	6,083	6,004	5,720	5,745
39 Faversham Bank	6,681	4,908	4,955	4,819	4,415
40 Godalming Bank	6,322	6,283	6,235	6,038	5,701
41 Guildford Bank	14,524	10,249	10,155	10,001	10,405
42 Grantham Bank—Hardy and Co.	30,372	16,587	16,907	16,133	16,097
43 Hull and Kingston-upon-Hull Bank ..	19,979	19,581	19,610	19,464	19,237
44 Huntingdon Town and County Bank ..	56,591	22,905	22,619	22,488	21,400
45 Harwich Bank	5,778	4,424	4,275	4,241	4,025
46 Hertfordshire, Hitchin Bank	38,764	30,368	29,276	29,992	30,002
47 Ipswich Bank	21,901	18,695	18,304	17,315	16,319
48 Ipswich and Needham Market Bank ..	30,699	45,802	46,394	46,057	45,027
49 Kentish Bank—Mercers and Co.	19,895	17,663	16,946	16,513	16,167
50 Kingston and Radnorshire Bank	26,050	16,171	16,337	16,343	16,474
51 Knaresborough Old Bank	21,825	19,120	18,860	18,516	18,516
52 Kendal Bank	44,663	41,873	42,063	43,088	43,860
53 Leeds Bank	130,757	126,905	126,065	125,762	126,470

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Jan. 27.	Feb. 3.	Feb. 10.	Feb. 17.
	£	£	£	£	£
54 Leeds Union Bank	37,459	36,368	36,306	35,868	35,869
55 Leicester Bank	32,322	28,182	21,954	21,254	20,899
56 Lewes Old Bank	44,886	21,995	20,984	20,180	19,789
57 Lincoln Bank	100,342	96,970	96,247	94,045	91,190
58 Llandoverly Bank and Llandilo Bank	32,945	8,581	9,727	9,022	8,627
59 Loughborough Bank	7,359	5,305	5,365	5,216	5,167
60 Lymington Bank	5,038	3,023	3,110	3,000	2,880
61 Lynn Regis and Lincolnshire Bank	42,817	24,897	25,039	24,811	23,409
62 Lynn Regis and Norfolk Bank	13,917	7,126	7,440	7,474	7,940
63 Macclesfield Bank	15,760	10,430	10,634	10,570	10,509
64 Miners' Bank	18,688	15,296	13,979	14,188	13,989
65 Monmouth Old Bank	16,385	1,948	1,985	1,875	1,696
66 Newark Bank	28,788	8,734	8,451	8,143	8,026
67 Newark and Sleaford Bank	51,615	37,408	38,474	37,922	35,260
68 Newbury Bank	36,787	11,954	11,391	10,844	10,805
69 Newmarket Bank	23,098	14,042	13,898	13,381	12,717
70 Norwich and Norfolk Bank	105,519	80,196	78,958	76,960	73,724
71 Naval Bank, Plymouth	27,321	21,640	20,906	20,258	20,118
72 New Sarum Bank—Pinckney Bros.	15,659	4,569	4,451	4,445	4,056
73 Nottingham Bank	31,047	30,858	31,602	30,345	29,260
74 Oswestry Bank	18,471	6,175	6,649	6,589	6,624
75 Oxford Old Bank	34,391	30,196	31,129	29,288	28,880
76 Old Bank, Tonbridge	13,183	11,180	10,799	11,245	11,344
77 Oxfordshire Witney Bank	11,852	5,925	5,839	5,708	5,856
78 Pease's Old Bank, Hull	48,807	48,045	49,502	47,980	48,216
79 Penzance Bank	11,405	6,988	6,867	6,724	6,258
80 Reading Bank—Simonds and Co.	37,519	19,360	19,263	19,410	18,710
81 Reading Bk.—Stephens, Blandy & Co.	43,271	25,847	25,080	24,252	23,413
82 Richmond Bank, Yorkshire	6,889	6,652	6,559	6,265	6,372
83 Royston Bank	16,393	7,501	7,499	7,110	6,890
84 Rye Bank	29,864	8,247	8,745	9,009	9,590
85 Saffron Walden and North Essex Bk.	47,646	30,482	20,162	19,820	19,462
86 Salop Bank	22,338	4,212	4,383	4,202	3,742
87 Scarborough Old Bank	24,813	25,053	25,062	24,605	24,480
88 Shrewsbury Old Bank	43,191	22,412	22,226	21,605	21,648
89 Sittingbourne and Milton Bank	4,789	1,699	1,852	1,777	1,440
90 Southampton Town and County Bank	25,359	8,064	8,004	7,972	7,450
91 Stamford and Rutland Bank	31,858	11,906	11,775	11,562	11,078
92 Shrewsbury and Welchpool Bank	25,336	16,040	16,138	16,340	14,961
93 Tavistock Bank	13,421	8,618	9,226	8,885	8,939
94 Thornbury Bank	10,026	5,985	5,423	5,259	5,340
95 Tiverton and Devonshire Bank	13,470	5,193	5,259	5,200	5,275
96 Thrapstone and Kettering Bank	11,559	10,814	10,426	10,440	10,375
97 Tring Bank and Chesham Bank	13,531	12,858	12,726	12,396	12,332
98 Towcester Old Bank	10,801	5,945	6,033	6,157	6,004
99 Union Bank, Cornwall	17,003	4,311	3,910	3,883	3,794
100 Uxbridge Old Bank	25,136	5,275	5,304	4,873	4,625
101 Wallingford Bank	17,064	3,836	3,666	3,747	3,784
102 Warwick and Warwickshire Bank	30,504	24,798	23,530	23,056	22,187
103 Wellington Somerset Bank	6,528	3,489	3,501	3,443	3,593
104 West Riding Bank	46,158	44,533	46,309	45,547	45,352
105 Whitby Old Bank	14,258	14,060	13,519	12,497	12,138
106 Winchester, Alresford and Alton, Bk.	25,892	8,694	8,578	8,355	8,635
107 Weymouth Old Bank	16,461	12,210	12,043	11,640	11,150
108 Wisbech and Lincolnshire Bank	59,713	30,179	29,690	28,935	28,489
109 Wiveliscombe Bank	7,602	1,672	1,648	1,575	1,695
110 Worcester Old Bank	87,448	41,939	41,702	40,766	39,140
111 Yarmouth and Suffolk Bank	53,060	40,302	38,744	37,144	34,990
112 Yarmouth, Norfolk, and Suffolk Bank	13,229	12,797	13,123	12,715	12,389
113 York Bank	46,387	42,675	41,666	40,412	40,759

JOINT STOCK BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Jan. 27.	Feb. 3.	Feb. 10.	Feb. 17.
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	9,907	10,151	10,892	11,284
2 Barnsley Banking Company.....	9,568	9,650	9,615	9,502	8,869
3 Bradford Banking Company	49,292	48,105	46,618	47,787	47,253
4 Bank of Whitehaven	32,681	25,670	25,355	26,406	27,900
5 Bradford Commercial Banking Co. ..	20,084	19,865	20,855	20,596	18,775
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	44,648	43,424	42,461	41,786
7 Chesterfield & N. Derbyshire Bk. Co. .	10,421	8,900	9,088	9,276	8,679
8 Cumberland Union Banking Co.	35,395	35,135	35,495	35,413	31,964
9 Coventry and Warwickshire Bk. Co. .	28,734	15,855	15,084	14,890	14,786
10 Coventry Union Banking Company ..	16,251	14,015	18,834	13,230	12,622
11 County of Gloucester Banking Co.	144,352	88,290	85,322	84,434	84,480
12 Carlisle and Cumberland Banking Co. .	25,610	22,705	22,882	22,882	21,393
13 Carlisle City and District Bank	19,972	20,173	19,370	19,919	19,979
14 County of Stafford Bank	9,418	7,124	7,204	7,194	7,841
15 Derby and Derbyshire Banking Co. . .	20,093	19,403	19,378	18,468	18,227
16 Darlington District Joint Stock Bk. Co.	26,134	24,406	24,639	25,410	25,880
17 Gloucestershire Banking Company ..	155,920	124,479	125,568	127,027	125,072
18 Halifax Joint Stock Bank.....	18,534	18,349	18,419	18,470	18,810
19 Huddersfield Banking Company.....	37,354	40,943	38,915	35,010	30,408
20 Hull Banking Company	29,338	28,912	28,494	28,764	29,938
21 Halifax Commercial Banking Co.	13,733	9,592	9,671	9,540	9,646
22 Halifax and Huddersfield Union Bank	44,187	33,970	33,926	33,151	32,617
23 Knaresborough and Claro Banking Co. .	28,059	26,887	27,084	26,844	26,880
24 Lancaster Banking Company	64,311	57,094	57,777	59,865	64,067
25 Leicestershire Banking Company	86,060	66,745	67,378	65,670	65,830
26 Lincoln and Lindsey Banking Co.	51,620	49,092	50,585	50,707	46,898
27 Leamington Priors and Warwickshire Banking Company	13,875	11,444	11,221	12,212	11,307
28 Ludlow and Tenbury Bank	10,215	8,491	8,146	8,593	9,084
29 Moore and Robinson's Notts. Bkg. Co. .	85,818	32,418	34,733	34,791	34,889
30 Nottingham and Notts. Banking Co. .	29,477	27,677	28,155	29,185	29,598
31 Northamptonshire Union Bank	84,356	56,745	56,417	57,983	57,485
32 Northamptonshire Banking Company	26,401	17,610	17,229	16,454	16,697
33 North and South Wales Bank	63,951	54,115	52,123	51,133	51,471
34 Pares's Leicestershire Banking Co. . .	59,300	51,481	53,895	54,915	52,647
35 Sheffield Banking Company	35,843	22,347	23,950	23,825	23,095
36 Stamford, Spalding & Boston Bk. Co. .	55,721	48,166	47,073	44,563	44,203
37 Stuckey's Banking Company	356,976	308,250	298,840	300,822	297,514
38 Stourbridge & Kidderminster Bkg. Co. .	56,890	45,464	43,861	44,577	44,725
39 Sheffield and Hallamshire Bkg. Co. . .	23,524	20,789	20,686	21,790	22,875
40 Sheffield & Rotherham Joint Stock Bk. .	52,496	47,508	46,973	48,507	47,386
41 Swaleale and Wensleydale Bkg. Co. . .	54,372	48,695	48,280	48,992	48,475
42 Wolverhampton and Staffordshire Bk. .	35,378	17,851	17,384	18,367	17,494
43 Wakefield and Barnsley Union Bank. .	14,604	13,122	13,587	18,447	13,448
44 Whitehaven Joint Stock Bkg. Co.	31,916	27,706	27,961	23,960	23,409
45 West of Eng. & S. Wales District Bk. .	33,585	68,474	67,819	69,085	66,626
46 Wilts and Dorset Banking Company..	76,162	70,547	75,391	76,824	72,807
47 West Riding Union Banking Company	34,029	32,299	33,638	33,395	33,208
48 Whitchurch and Ellesmere Bk. Co. . .	7,475	4,570	4,613	4,509	4,611
49 Worcester City and County Bk. Co. . .	6,848	1,600	1,733	1,516	1,391
50 York Union Banking Co.	71,240	67,807	71,380	71,105	69,682
51 York City and County Banking Co. . .	94,695	93,478	93,965	92,385	91,823
52 Yorkshire Banking Company	122,532	117,025	117,698	118,579	119,231

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 17th February, 1877.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland	8,788,428	1,908,125	1,224,625	3,127,750	579,852
Provincial Bank of Ireland	927,667	486,573	422,337	908,910	424,671
Belfast Bank	281,611	219,520	328,675	548,195	357,725
Northern Bank	243,440	215,931	315,919	531,850	404,378
Ulster Bank	811,079	398,640	417,946	816,586	632,058
The National Bank	852,269	875,407	605,062	1,480,469	960,787
TOTALS (Irish Banks)....	6,854,494	4,099,196	3,814,564	7,413,760	3,858,921

SCOTCH BANKS.

Bank of Scotland	343,418	223,964	446,622	670,586	438,236
Royal Bank of Scotland	216,451	240,978	456,061	697,034	618,217
British Linen Company	438,024	164,969	865,321	580,291	239,147
Commercial Bank of Scotland..	874,880	235,828	537,979	773,808	589,236
National Bank of Scotland	297,024	185,038	407,646	592,685	469,238
Union Bank of Scotland	454,846	253,525	499,424	752,749	456,390
Aberdeen Town & County Bank	70,133	95,301	115,990	211,292	188,875
North of Scotland Banking Co.	154,319	171,593	168,093	339,686	223,728
Clydesdale Banking Company..	274,321	189,855	331,366	521,221	375,957
City of Glasgow Bank	72,921	219,991	407,748	627,739	616,998
Caledonian Banking Company ..	58,434	33,403	72,589	105,993	*77,364
TOTALS (Scotch Banks)....	2,749,271	2,014,240	3,808,889	5,823,084	4,338,436

BANKERS' CLEARING HOUSE RETURNS.

THE FOLLOWING IS THE RETURN OF PAID CLEARING FOR THE

WEEK ENDING FEB. 28TH.	WEEK ENDING MAR. 7TH.	WEEK ENDING MAR. 14TH.
Thursday £13,088,000	Thursday .. £19,573,000	Thursday £18,378,000
Friday 12,939,000	Friday 17,094,000	Friday 13,746,000
Saturday 14,255,000	Saturday 25,122,000	Saturday 14,180,000
Monday 12,088,000	Monday 14,235,000	Monday 14,393,000
Tuesday 16,514,000	Tuesday 14,882,000	Tuesday 15,314,000
Wednesday .. 83,401,000	Wednesday .. 14,972,000	Wednesday .. 31,809,000
£102,235,000	£165,928,000	£102,265,000
WEEK ENDING MAR. 21ST.	Tuesday £11,494,000	
Thursday £15,063,000	Wednesday.... 15,343,000	
Friday 14,280,000		
Saturday 19,162,000		
Monday 13,935,000		
	£39,277,000	

* By a typographical error in our March number the average amount of coin held by the Caledonian Banking Company during the four weeks ending 20th January, 1877, was stated as £40,370, instead of £94,270.

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING FEB. 17th, 1877.**

	Fixed Issues.	Jan. 27.	Feb. 3.	Feb. 10.	Feb. 17.
	£	£	£	£	£
118 Private Banks	8,807,992	2,438,180	2,419,718	2,892,100	2,326,843
52 Joint Stock Banks	2,587,551	2,180,263	2,183,422	2,188,752	2,159,789
165 Totals	6,895,543	4,618,443	4,603,140	4,580,852	4,486,632

Average Weekly Circulation of these Banks for the month ending Feb. 17, 1877:—

Private Banks	£2,394,210
Joint-Stock Banks	2,178,056

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,572,266

On comparing these amounts with the Returns for the month ending Jan. 20th last, they show:—

<i>A decrease in the notes of Private Banks, of</i>	£58,215
<i>A decrease in the notes of Joint-Stock Banks, of</i>	24,559

Total decrease on the month £82,774

And, as compared with the month ending Feb. 19th, 1876:—

<i>A decrease in the notes of Private Banks, of</i>	£68,514
<i>A decrease in the notes of Joint-Stock Banks, of</i>	111,608

Total decrease as compared with the same period of last year £180,122

The following is the comparative state of the circulation as regards the fixed issues:—

<i>The Private Banks are below their fixed issues</i>	£1,413,782
<i>The Joint-Stock Banks are below their fixed issues</i>	409,495

Total below their fixed issues £1,823,277

SUMMARY OF IRISH AND SCOTCH RETURNS TO FEB. 17th, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

<i>Average Circulation of the Irish Banks</i>	£7,418,760
<i>Average Circulation of the Scotch Banks</i>	5,823,084

Total Average Circulation of these Banks for the past month £13,256,844

On comparing these amounts with the Returns for the month ending 20th Jan. last, they show—

<i>Decrease in the Circulation of Irish Banks</i>	£39,151
<i>Decrease in the Circulation of Scotch Banks</i>	346,886

Total decrease on the month.. .. . £386,037

And as compared with the month ending Feb. 19th, 1876, they show—

<i>Decrease in the Circulation of Irish Banks</i>	£199,153
<i>Increase in the Circulation of Scotch Banks</i>	198,056

Total decrease as compared with the same period of last year.. .. . £1,097

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	6,854,494
11 Banks in Scotland, allowed to issue	..	..	..	..	2,749,271
17 Banks in all, allowed to issue	..	..	..	..	£9,103,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	£1,059,266
Scotch Banks are above their fixed issue	..	..	..	..	3,073,818

Total above the fixed issue	..	..	..	..	£4,133,079
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	£3,358,921
Gold and Silver held by the Scotch Banks	..	..	..	..	4,338,436

Total of Gold and Silver Coin	..	..	..	..	£7,697,357
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Being a decrease of £168,045 on the part of the Irish Banks, and a decrease of £78,327 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO FEB. 17th, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	Feb. 17.	Jan. 20.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 14th Feb.)	27,646,925	28,215,817	..	568,892
Private Banks	2,394,210	2,452,425	..	58215
Joint-Stock Banks	2,178,066	2,202,615	..	24,559
Total in England	32,219,191	32,870,857	..	651,166
Scotland	5,823,084	6,169,970	..	346,886
Ireland	7,413,760	7,452,911	..	39,151
United Kingdom	45,456,035	46,493,738	..	1,037,703

The comparison of the month ending Feb. 19th, 1876, with the month ending Feb. 17th, 1877, shows an increase in the Bank of England circulation of £889,333, a decrease in Private Banks of £68,514, and a decrease in Joint-Stock Banks of £111,606, being a total increase in England of £709,211, while in Scotland there is an increase of £198,056; and in Ireland a decrease of £199,153. Thus showing that the month ending the 17th Feb., as compared with the same period last year, presents an increase of £709,211 in England, and an increase of £708,114 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending Feb. 14th gives an average amount in both departments of £26,673,860. On a comparison of this with the Return for the previous month, there appears to be a decrease of £1,309,276; and an increase of £4,215,109 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending Feb. 17th was £7,697,357; being a decrease of £246,372, as compared with the Return of the previous month, and an increase of £279,656, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share.	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited ...	all	11½
Feb. Aug.	6 "	25	Alliance, Limited ...	10	13½
Jan. July	" "	200fl.	Anglo-Austrian ...	120fl.	
Mar. Sep.	10 p. ct.	20	Anglo-Californian, Limited ...	10	
May Nov.	" "	20	Anglo-Egyptian Banking, Limited ...	all	14½
Mar. Sep.	7½ p. ct.	20	Anglo-Foreign Banking, Limited ...	10	
Feb. Aug.	5 "	100fl.	Anglo-Hungarian ...	all	
Mar. Sep.	12½ "	20	Anglo-Italian, 1866, Limited ...	10	
April Oct.	7½ "	40	Bank of Australasia ...	all	81
" "	7½ "	20	Bank of British Columbia ...	all	
Jan. July	6 "	20	Ditto New, issued at £2 pm. ...	10	
Feb. Aug.	10 "	10	Bank of Constantinople ...	6	3½
" "	12 "	25	Bank of Egypt ...	all	
Jun. Dec.	5 "	Stk.	Bank of Ireland ...	100	
Jan. July	10 "	20	Bank of Roumania ...	8	
April Oct.	12 "	25	Bank of South Australia ...	all	48
Jan. July	15 "	50	Bank of Victoria, Australia ...	25	
Feb. Aug.	6 "	10	Bank of New Zealand ...	all	2½
Mar. Sep.	8 "	50	British North American ...	all	
April Oct.	8 "	10	Central of London, Limited ...	5	
" "	8 "	20	Chartered of India, Australia, and China ...	all	12½
Jan. July	13½ "	25	Chartered Merc. of India, London and China ...	all	20½
April Oct.	5 "	20	City ...	10	14½
Jan. July	10 "	100	Colonial ...	30	
Feb. Aug.	8 "	6	Commercial Bank of Alexandria, Limited ...	3	
Mar. Sep.	8 "	10	Consolidated, Limited ...	4	7½
Jan. July	2½ "	25	Delhi and London, Limited ...	all	
April Oct.	8 "	20	English Bank of Rio de Janeiro, Limited ...	10	12½
May Nov.	8 "	20	English, Scottish, and Australian Chartered ...	all	
Feb. Aug.	8 "	20	Franco-Egyptian, issued at 5 pm. ...	10	
Mar. Sep.	6 "	28½	Hong Kong and Shanghai Bank Corporation ...	all	31
Jan. July	6 "	50	Imperial, Limited ...	15	
April Oct.	8 "	20	Imperial Ottoman ...	10	5½
" "	8 "	25	Ionian ...	all	
May Nov.	8 "	25	Ditto, New ...	10	
Jan. July	" "	30	Land Mortgage Bank of India, Limited ...	5	1½
Mar. Sep.	6 "	100	Ditto, 5 per cent. Debentures, 1864, for 30 years ...	all	
" "	6 "	30	London Bank of Mexico & South America, Lim. ...	20	9½
Jun. Dec.	8 "	20	Ditto, New ...	10	
Feb. Aug.	16 "	20	London Chartered of Australia ...	all	26½
" "	16 "	50	London and County ...	20	63½
Jan. July	15 "	50	Ditto, New, 1874, iss. at 10 pm. ...	20	
Feb. Aug.	12½ "	10	London Joint Stock ...	15	40
Jun. Dec.	4 "	100	London and Provincial, Limited ...	5	11½
" "	4 "	25	London and River Plate, Limited ...	40	
Mar. Sep.	8 "	10	Ditto, New ...	10	
May Nov.	" "	20	London and San Francisco, Limited ...	all	12
Feb. Aug.	14 "	100	London and South African ...	all	11½
" "	10 "	100	London and South Western, Limited ...	20	26½
Mar. Sep.	12 "	100	London and Westminster ...	20	64
Jan. July	8 "	10	Mercantile Bank of the River Plate, Limited ...	all	
" "	8 "	10	Merchant, Limited ...	25	32
Feb. Aug.	8 "	10	Metropolitan A } B receives no dividend until {	all	
" "	8 "	10	Ditto B } 10 per ct. has been paid to A {	all	
Jan. July	8 "	10	Ditto, New, A ...	1½	
Feb. Aug.	12 "	50	Midland, Limited ...	20	
Jun. Dec.	9 "	50	National ...	30	
Feb. Aug.	6/13/4 p. ct.	5	National of Australasia ...	4	
Jan. July	6 "	10	National of Liverpool, Limited ...	15	
Jun. Dec.	20 "	20	National of New Zealand, Limited ...	3½	3½
" "	20 "	20	National Provincial of England ...	21	
Mar. Sep.	20 "	20	Ditto, ditto ...	12	
April Oct.	5 "	20	Ditto, New, 1874, iss. at £10 prem. ...	10	
May Nov.	17½ "	20	New London and Brazilian, Limited ...	10	7½
Feb. Aug.	4/3/4 "	20	New South Wales ...	all	
Feb. Aug.	8 "	24	North Eastern, Lim., iss. at 2 pm., already paid ...	6	
April Oct.	10 "	25	North Western ...	7½	
Jan. July	15 "	100	Oriental Bank Corporation ...	all	45
May Nov.	15 "	10	Provincial of Ireland ...	25	
Jan. July	15 "	10	Ditto, New ...	all	
May Nov.	12 "	100	Standard of British South Africa, Limited ...	25	36½
Jan. July	16 "	25	Union of Australia ...	all	63½
" "	12½ "	50	Union of London ...	15½	41½

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

MAY, 1877.

THE CAPITAL EMPLOYED IN BANKING IN THE UNITED KINGDOM.

OUR last number contained a statement as to the position of banking in the United States of America. It is not possible, as our readers know, to publish any similar statement as to banking in England. No private bank in England has, we believe, ever put forward any authorized statement as to the position of its accounts, and it is barely possible to imagine a time in which such an innovation on the established practice could occur. Most of the joint-stock banks in England now publish their accounts; even among them, however, the custom is far from universal, though the number of those who prefer to keep the state of their affairs in privacy is steadily on the decrease. And it is very desirable that this should be the case. It cannot be doubted that a statement of the position of the main facts of banking would be often of service. In times of pressure a reliable official statement would tend to allay anxiety among many, and the careful banker would obtain from it information ready to his hand which might assist him in shaping his course at such periods. No such statement, however, is possible in England at the present time. The nearest approach to any such return was made in 1875, when a great many English banks, both private and joint-stock, sent returns to Sir Stafford Northcote in con-

nection with the proceedings before the Select Committee of the House of Commons on banks of issue in that year. But the manner in which this return was made, and the fact that many banks abstained from making it, and that it was impossible to supply the names either of those banks which complied with Sir S. Northcote's request or of those who did not, render the return of no value as a basis for estimating the deposits held by English banks at the present time.

In Scotland, as is well known, the information is annually published in the balance-sheets of the several banks; and though the Scotch banks do not all make up their accounts to the same month in the year, so that the information cannot be brought exactly to the same date, yet it is quite possible to give a statement fairly close to the facts, and our number for last month contained a balance-sheet of the position of banking in Scotland, which may be regarded as representing very closely the state of the main points of the business, as regards the most important features for the year 1876. For Ireland the annual report published by Dr. Neilson Hancock, though going into fewer details than the statement which it is possible to construct for Scotland, yet gives a valuable record of the progress and course of deposits with banks in that country in each year for some thirty years past. With regard to England no such statement as to the deposits can be given. Some particulars as to the amount of banking capital in the country may, however, be interesting. We have therefore done all in our power, as far as exact information is concerned, by collecting the statement of the capitals of the various joint-stock banks in the country. This statement, which is derived from that published in the Banking Almanack for 1877, will be found at the end of this paper. It includes of course the amounts mentioned in our February number as added to the capital and reserve funds of the banks in the country in 1876. To it also should be further added the sum of £100,000 mentioned in our March number as having been added to the reserve fund of the Wilts and Dorset Bank in 1876. We have not included the "Cheque Bank" in the list, the business carried on by that bank being hardly a banking business as generally understood. The general summary thus made up is as follows :—

CAPITAL AND RESERVE FUNDS OF BANKS IN GREAT
BRITAIN AND IRELAND IN 1876.

	Capital.		Reserve.
Bank of England ...	£14,553,000	say	£3,000,000
Other joint-stock banks in England, say ...	32,875,000	...	13,919,000
Joint-stock banks in Scotland	10,045,000	...	3,725,000
Joint-stock banks in Ireland	6,790,000	...	2,504,000
Joint-stock banks in Isle of Man	60,000	...	21,000
	£64,323,000	...	£23,169,000

This statement gives a total of about 87½ millions of banking capital in the United Kingdom.

The aggregate shows certainly a very large sum. A good way of estimating fully what large figures like these mean is to place beside them the amounts which show the position of other countries in the same respect, and hence it will not be uninteresting to place beside these figures, by way of comparison, the corresponding amounts for the United States of America. According to the statement contained in the Report of the Comptroller of the Currency for the United States, which we published in the April number of this journal—

The capitals of the National Banks in 1876, were	£99,960,000
Of the remaining banks (State banks, private banks and savings banks)	£43,806,000
	£143,766,000

The savings banks in America do not appear exactly to hold the same position as savings banks in this country, and we cannot readily ascertain what adjustment should be made under this head to place the statement as to the two countries on the same footing.

Undoubtedly, also, a very considerable addition must be made to the amount of banking capital in the United Kingdom as given in the following table for the capitals of the private banks in England, both in London and in the provinces—but the amount of capital in the United Kingdom employed in this manner cannot be stated. No question also the banking

deposits and capital combined in this country are far heavier than those in America, but at this point of our inquiry we are comparing the capitals employed in the banks without referring in any way to the deposits held, or to the totally different circumstances of business in the two countries, which render it necessary that the capitals of the banks should bear a much higher proportion to their deposits in America than on this side the Atlantic.

To proceed a little further with this subject, perhaps the first point which will strike the reader in examining the English list will be the great diversity in the different amounts of the capitals and reserve funds of the banks, which range from less than twenty thousand pounds to more than two millions and three quarters sterling. The next point will be the very considerable amount of reserve funds which most of the older banks have accumulated. Several instances will be observed on the list of banks whose reserve funds nearly equal their capital. Some cases will be found in which the reserve funds are equal to the capital. Some, too, in which the reserve funds are actually larger than the capitals. Some of these cases it will be observed are not confined to banks with large capitals. Banks possessing comparatively small capitals have sometimes accumulated reserve funds very large in proportion to their capitals. These cases are instructive as showing instances of banks which have preferred the security to be obtained from increasing their capitals, to the immediate advantage to be gained from sharing large dividends among the proprietary body. And it is strongly to be desired that this prudent and praiseworthy policy may receive a larger development. The payment of high rates of dividend may be a subject of a natural satisfaction to those concerned with the management of a bank, and to the shareholders as well. But it must be borne in mind that, except to the original shareholders; except to those who courageously invested their money in the shares when they were paying but a small rate of dividend, the rate of profit to be gained by the existing body of shareholders from a high rate of dividend, is in one way more nominal than real, as they have purchased their shares at a corresponding price. In all cases an addition to the capital of the banks may not be practicable, but there are doubtless many in which a carefully regulated issue of new shares at par, or at a low rate of premium, to the existing shareholders, would provide them with a bonus which would compensate for the lower rate of dividend which might result from an increase of capital. It is quite possible that in many instances an increase in capital, and the consequent increase in the confidence of the public

which might result from such an endeavour to provide fresh security for the good working of the business, would not be followed by any actual decrease in the dividend to be shared among the proprietary body. There can be no doubt that stability is far more important than a high rate of profit, and the best conclusion which can be made to these remarks on the subject will be by quoting the observations made on it, now many years ago, by the late Mr. J. W. Gilbart. Subsequent events have fully confirmed the truth of these observations.

"There is an evil in a bank having too small a capital. In this case, the bank will be but a small bank, the number of proprietors will be few, and the number of persons eligible to be chosen directors will be few; hence there will not be the same guarantee for good management. If a bank with a small capital have also a very small business, it had much better cease as an independent establishment, and become the branch of a larger bank. If, on the other hand, it has a large business, with a large circulation, large deposits, and large loans or discounts, its losses will sometimes be large, and hence the whole capital may be swept away. It is true, that while it avoids losses the shareholders will receive large dividends; but these large profits had much better be left in the bank as an addition to its capital than shared among the proprietors in the form of dividends. There is danger too that the high premium on those shares may induce many shareholders to sell out and form other and perhaps rival establishments.

"On the other hand, there is an evil in a bank having too large a capital. In this case, as the capital cannot be employed in the business, the directors are under the temptation of investing it in dead or hazardous securities for the sake of obtaining a higher rate of interest; perhaps too they may speculate in the funds, and sustain loss. Hence it is much better that a bank should commence business with a small capital, and increase the amount as the business may require. It is difficult to state in all cases what proportion a capital ought to bear to the liabilities of a bank. Perhaps the best criterion we can have is the rate of a dividend, provided that dividend be paid out of the business profits of the company. When we hear of a bank paying from 15 to 20 per cent. dividend, we may be assured that the capital is too small for the business."—Gilbart's "Practical Treatise on Banking," page 152.

These observations were written by Mr. Gilbart in 1827; the vast progress which banking has made in the half century which has elapsed since that time strengthens the belief in the correctness of his remarks on this subject.

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CAPITALS AND RESERVE FUNDS OF THE JOINT STOCK BANKS OF GREAT BRITAIN AND IRELAND, AS STATED IN 1876.

ENGLAND AND WALES.

Name of Bank, and when Established.	Paid-up Capital.	Reserve Fund.
	£	£
Bank of England—July 1694	14,553,000	3,000,000
Adelphi Bank, limited—1861	130,110	10,000
Alliance Bank, limited—May 1862, reconstructed June 1871	800,000	195,000
Ashton, Stalybridge, Hyde and Glossop Bank—June 1836	50,000	17,334
Bank of Bolton—May 1836	225,000	..
Bank of Leeds, limited—Dec. 1864	151,300	46,906
Bank of Liverpool—May 1831	625,000	309,314
Bank of Westmoreland—June 1833	25,680	15,000
Bank of Whitehaven, limited—Jan. 1837	98,530	90,140
Barnsley Banking Company—Feb. 1832	46,848	46,883
Birmingham, Dudley, and District Banking Company—July 1836	228,160	95,000
Birmingham Banking Company, limited—Aug. 1866 ..	158,070	140,000
Birmingham and Midland Bank—Aug. 1836	300,000	260,000
Birmingham Joint Stock Bank, limited—13th Nov. 1861 ..	203,900	219,490
Bradford Commercial Banking Company—Feb. 1833 ..	245,000	166,250
Bradford Banking Company—July 1827	408,000	270,000
Bradford District Bank, limited—Sept. 1862	290,970	200,850
Bradford Old Bank, limited (late Harris & Co.)—March 1864	423,560	102,520
Bucks & Oxon Union Bank, limited—March 1866	80,000	19,000
Burton, Uttoxeter, & Ashbourn Union Bank—Oct. 1839 ..	130,000	69,998
Bury Banking Company—June 1836	109,080	120,000
Carlisle City and District Bank—Feb. 1837	80,162	97,932
Carlisle and Cumberland Banking Company—Oct. 1836 ..	75,000	100,000
Central (The) Bank of London, limited—1863	100,000	10,000
Chesterfield and North Derbyshire Banking Company—Jan. 1834	35,000	13,172
City Bank (by Royal Charter) registered under Act 1862—1856	600,000	160,000
Commercial Bank of Manchester, limited—1875	16,442	..
Consolidated Bank, limited, includes Heywood, Kennards & Co., Hankeys & Co., and the Bank of Manchester, limited—1863	800,000	135,000
County of Gloucester Banking Company—Aug. 1836 ..	181,000	70,527
County of Stafford Bank—1836	60,000	..
1st fund capitalised	..	30,000
2nd do. do.	..	37,587
Coventry Union Banking Company—May 1836	56,000	18,306
Coventry and Warwickshire Banking Company—Dec. 1835	105,000	22,500
Cumberland Union Banking Company, limited—Feb. 1829	225,000	80,000
Carried forward	£ 7,062,812	3,168,709

The Capital employed in Banking in the United Kingdom. 367

**CAPITALS AND RESERVE FUNDS OF THE JOINT STOCK BANKS
OF GREAT BRITAIN AND IRELAND, AS STATED IN 1876—
*continued.***

ENGLAND AND WALES.

Name of Bank, and when Established.	Paid-up Capital.	Reserve Fund.
	£	£
Brought forward	7,062,812	3,168,709
Darlington District Banking Company—Dec. 1831	68,000	22,969
Derby & Derbyshire Banking Company—Dec. 1833....	62,500	9,000
Derby Commercial Bank, limited—1868	30,000	3,000
Devon and Cornwall Banking Company—Jan. 1832 ..	128,000	89,000
Exchange and Discount Bank, limited, Leeds (late Cousins, Allen & Co.)—1862, became joint-stock 1 Mar. 1866	100,000	50,000
Glamorganshire Banking Company—Sept. 1836	300,000	125,000
Gloucestershire Banking Company—July 2, 1831	450,000	162,500
Halifax Commercial Banking Company, limited—July 1, 1836	150,000	106,000
Halifax Joint Stock Banking Company—Nov. 11, 1829	200,000	180,000
Halifax & Huddersfield Union Banking Company— July 1, 1836	250,000	180,000
Hampshire Banking Company—April 1834	200,000	100,000
Huddersfield Banking Company—June 1827	410,275	108,000
Hull Banking Company—Nov. 1833	97,575	88,148
Imperial Bank, limited—June 1862	675,000	90,000
Knaresborough & Claro Banking Company—Sept. 1831— Capital not stated.....	..	24,000
Lancashire & Yorkshire Bank, limited—July 1, 1872 ..	250,000	38,035
Lancaster Banking Company—Oct. 23, 1826	275,000	275,000
Leamington Priors & Warwickshire Bank—Aug. 1835	32,000	15,745
Leeds and County Bank, limited—1862	230,000	65,000
Leicestershire Banking Company—Aug. 28, 1829.....	300,000	90,000
Lincoln & Lindsey Banking Company, incorporated— Aug. 1833	114,400	148,800
Liverpool Commercial Banking Company, limited—Dec. 1832	350,000	200,000
Liverpool Union Bank—May 1, 1835	600,000	195,228
Lloyd's Banking Company, limited—May 1865.....	400,000	210,000
London (The) Banking Association, limited—1872	600,000	19,000
London and County Banking Company—Aug. 1836....	1,499,970	699,985
London Joint Stock Bank—Nov. 1836.....	1,200,000	540,859
London and Provincial Bank, limited—1864	175,000	63,771
London and South Western Bank, limited—1862	180,000	20,126
London and Westminster Bank—Mar. 1834	2,000,000	764,175
London and Yorkshire Bank, limited—June 1872—First issue 100,000 shares at £2 6s.	230,000	..
Carried forward	£18,620,532	7,852,050

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CAPITALS AND RESERVE FUNDS OF THE JOINT STOCK BANKS OF GREAT BRITAIN AND IRELAND, AS STATED IN 1876— *continued.*

ENGLAND AND WALES.

Name of Bank, and when Established.	Paid-up Capital.	Reserve Fund.
	£	£
Brought forward	18,620,532	7,852,050
Manchester and County Bank, limited—Aug. 1, 1862 ..	660,000	375,000
Manchester and Salford Bank—Aug. 15, 1836	600,000	200,000
Manchester and Liverpool District Banking Company— April 30, 1829	905,000	623,164
Manchester Joint Stock Bank, limited—July 1873	102,800	..
Reserved fund and balance carried forward	..	46,656
Merchant Banking Company of London, limited—1863	375,000	100,000
Metropolitan (The) Bank, limited—1867	192,931	..
Midland Banking Company, limited—Jan. 1863	300,000	50,000
Do. Unappropriated profit	..	4,034
Moore and Robinson's Nottinghamshire Banking Com- pany, limited—Oct. 10 1836	203,000	100,000
Mutual Banking Company, limited—Aug. 30, 1875	100,000	..
National Provincial Bank of England—Dec. 1833	1,575,300	900,000
National Bank of Liverpool, limited—1863	450,000	105,000
Northamptonshire Banking Company—May 12, 1836 ..	78,000	22,128
Northamptonshire Union Bank—July 1, 1836	159,000	133,069
North Eastern (The) Banking Company, limited, with which is amalgamated the Alnwick and County Bank established 1858.—1872	260,000	80,610
Northern Counties (The) Bank, limited—1871	21,690	1,957
North Kent Bank—1864	22,390	1,250
North and South Wales Bank—April 1836	420,000	210,000
North Western Bank, limited—1864	405,000	110,000
North Wilts Banking Company—Nov. 9, 1835	85,000	85,000
Nottingham and Nottinghamshire Banking Company,— April 12, 1834	203,500	37,000
Nottingham Joint Stock Bank, limited—Sept. 1, 1865 ..	100,000	35,000
Pares's Leicestershire Banking Company—Mar. 12, 1836	310,000	153,083
Parr's Banking Company, limited—1865	391,500	170,000
Preston Banking Company—June 1844	100,000	19,000
Rochdale Joint Stock Bank, limited—1872	26,272	5,152
Sheffield Union Banking Company—June 1843	180,000	50,000
Sheffield and Rotherham Banking Company—June 1836	160,704	86,871
Sheffield Banking Company—July 1, 1831	293,160	108,125
Sheffield and Hallamshire Bank—May 23, 1836	183,200	55,678
Southport and West Lancashire Banking Company, limited—May 21, 1875	80,000	..
Staffordshire Joint Stock Bank, limited—Jan. 1, 1864 ..	175,000	65,000
Stamford, Spalding, and Boston Banking Company (in- corporated)—Jan. 2, 1832	250,000	150,000
Carried forward	£27,988,479	11,934,827

The Capital employed in Banking in the United Kingdom. 369

**CAPITALS AND RESERVE FUNDS OF THE JOINT STOCK BANKS
OF GREAT BRITAIN AND IRELAND, AS STATED IN 1876—
continued.**

ENGLAND AND WALES.

Name of Bank, and when Established.	Paid-up Capital.	Reserve Fund.
	£	£
Brought forward	27,988,479	11,934,827
Stourbridge and Kidderminster Banking Company— April 1834.....	100,000	100,000
Stuckey's Banking Company—Oct. 1826.....	801,900	165,864
Swansea (The) Bank, limited—Jan. 1873	199,753	32,564
Swaledale and Wensleydale Banking Company—Dec. 30, 1836	63,000	33,375
Three Towns Banking Company, limited—1863.....	50,000	..
Union Bank of London—Feb. 4, 1839.....	1,395,000	411,000
Union Bank of Manchester, limited—May 2, 1836	440,000	140,000
Wakefield and Barnsley Union Bank—Oct. 25, 1832 ..	100,000	90,000
West of England and South Wales District Bank—Dec. 23, 1834.....	750,000	151,996
West Riding Union Banking Company—Dec. 1832	200,000	43,810
Western District Bank, limited—1875	14,294	..
Whitehaven Joint Stock Bank—June 1829.....	45,000	38,765
Wilts and Dorset Banking Company—Dec. 1835	300,000	155,706
Worcester City and County Banking Company, limited— Nov. 1840	250,000	100,000
Wolverhampton and Staffordshire Banking Company— Jan. 2, 1832	100,000	36,027
Yorkshire Banking Company—July 6, 1843	250,000	168,000
York City and County Bank—March 1830.....	162,500	151,500
York Union Banking Company—May 1, 1833	165,000	66,170
Total, England and Wales, not including the Bank of England	£32,874,926	13,819,604
JOINT STOCK BANKS OF THE ISLE OF MAN.		
	£	£
Dumbell's Banking Company, limited—Nov. 2, 1874 ..	36,900	1,050
Isle of Man Banking Company, limited—Nov. 1, 1865 ..	24,000	20,500
Total, Isle of Man	£60,900	21,550
JOINT STOCK BANKS OF SCOTLAND.		
	£	£
Aberdeen Town and County Banking Company—1825..	252,000	115,000
Bank of Scotland—1695.....	1,250,000	410,000
British Linen Company Bank—1746	1,000,000	350,000
Carried forward	£2,502,000	875,000

**CAPITALS AND RESERVE FUNDS OF THE JOINT STOCK BANKS
OF GREAT BRITAIN AND IRELAND, AS STATED IN 1876—
*continued.***

SCOTLAND.

Name of Bank, and when Established.	Paid-up Capital.	Reserve Fund.
	£	£
Brought forward	2,502,000	875,000
Caledonian Banking Company—Nov. 1838	150,000	75,000
City of Glasgow Bank—May 1839	1,000,000	450,000
Clydesdale Banking Company—1838	1,000,000	500,000
Commercial Bank of Scotland—1810	1,000,000	413,006
National Bank of Scotland—March 1825	1,000,000	410,000
North of Scotland Banking Company—Oct. 1836	893,280	192,558
Royal Bank of Scotland—1727	2,000,000	500,000
Union Bank of Scotland—1830	1,000,000	300,000
Do. Undivided profits	..	9,504
Total, Scotland	£ 10,045,280	3,725,068
	£	£
JOINT STOCK BANKS OF IRELAND.		
Bank of Ireland—1783—		
£3,000,000 Irish Currency, about*	2,800,000	1,072,000
Belfast Banking Company—Aug. 1827	250,000	207,432
Hibernian Bank—June 1825	500,000	225,000
Munster Bank, limited—1864	350,000	150,000
National Bank—Jan. 24, 1835	1,500,000	80,000
Northern Banking Company—Jan. 1, 1825	150,000	125,000
New shares, March 1867	150,000	..
Provincial Bank of Ireland—Sept. 1825	500,000	197,318
New shares	40,000	..
Royal Bank of Ireland—Sept. 1836	300,000	198,000
Ulster Banking Company—April 1836	250,000	250,000
Total, Ireland	£ 6,790,000	2,504,750

THE BUDGET.

SIR STAFFORD NORTHCOTE may be congratulated on having obtained a surplus this year—

The actual revenue of the year 1876-77 was ..	£ 78,565,000
„ expenditure „ „ ..	£ 78,125,000
Surplus	<u>440,000</u>

We give below the estimated revenue and expenditure for

* The capital of the Bank of Ireland is stated as being about £3,000,000 sterling. See evidence taken before the Select Committee of the House of Commons on the Bank Acts, 1868.

the coming year, and can only trust that the anticipations the statement contains may be fulfilled, especially on the side of the estimated expenditure. No change in any branch of the taxation is made in the present Budget. The income tax remains as last year at 3*d*. in the £. Incomes under £150 a year continue to be exempt from income tax, and a deduction of £120 is also this year, as last, allowed in making the assessment on incomes under £400.

ESTIMATED REVENUE.						
Customs	..	..	..	..	..	£19,850,000
Excise	..	..	..	..	..	27,500,000
Stamps	..	..	..	..	..	10,920,000
Land tax and house duty	..	..	..	..	..	2,560,000
Income tax	..	..	..	..	..	5,540,000
Post office	..	..	..	..	..	6,100,000
Telegraph service	..	..	..	..	..	1,800,000
Crown lands	..	..	..	..	..	410,000
Miscellaneous	..	..	..	..	..	4,840,000
Total estimated revenue for 1877-78 ..						<u>79,020,000</u>

ESTIMATED EXPENDITURE.						
Permanent charge for debt	..	..	..	..	..	£28,000,000
Interest on local loans	..	..	..	..	..	220,000
Charge of Suez loan	..	..	..	..	..	200,000
Other consolidated fund charges	..	..	..	..	..	1,600,000
Army	..	..	..	..	..	14,538,700
Home charges of forces in India	..	..	..	..	..	1,000,000
Army purchase	..	..	..	..	..	500,000
Navy	..	..	..	..	..	10,979,829
Civil services	..	..	..	..	..	13,726,198
Customs and inland revenue	..	..	..	..	..	2,767,165
Post office	..	..	..	..	..	3,261,461
Telegraph service	..	..	..	..	..	1,232,814
Packet service	..	..	..	..	..	767,877
Total estimated expenditure for the year 1877-78 ..						<u>78,794,044</u>

Estimated surplus, £225,956.

BANK OF ENGLAND RESERVE.

WE have again to draw our readers' attention to the diminution in the reserve of the Bank of England. Taken from the highest point of last year, the diminution is very considerable indeed :—

		£
The bank reserve was, on September 20th, 1876 ..	22,244,069	
„ on April 14th, 1877 ..	12,418,314	
Loss at the present time		<u>9,825,755</u>

That so great a diminution as this should have been accompanied

with the same rate of interest throughout, shows more strongly than anything else how complete the stagnation in the demand for money is. The reserve of the Bank of England last year stood in the second week of April at very much the same amount that it did this year, and from that date in 1876 it continued slowly and gradually to increase, till it reached in September the total mentioned above. At first sight, a similar rise might also be expected this year, but there are many reasons which render such a state of matters improbable; and though at this period of the year some reflux may occur, it would seem far more likely that a further diminution may be looked for from the present amount. And we think that such a diminution in the reserve would be greatly to be regretted. Circumstances tend to place England now very distinctly in the foremost post should a sudden demand for specie take place in any part of Europe; in the present aspect of affairs it is impossible to say whether such a demand may not spring up at any moment. Should such a demand arise while the present depressed condition of trade continues, and the rate of interest remains in consequence low, the reserve might be rapidly reduced to an undesirably low point.

DEATH OF MR. WALTER BAGEHOT.

It is with feelings of the deepest regret that we have to refer to the death of Mr. Walter Bagehot, the well-known editor of the *Economist*, which occurred on Saturday evening, the 24th of March—briefly noticed in our last number—after an illness of a very few days.

Mr. Walter Bagehot was born on the 3rd of February, 1826, at Langport, in Somersetshire, whither, in the full maturity of his powers, he thus returned to die, at the comparatively early age of 51, while staying at the house of his father, Mr. Thomas Watson Bagehot, at Herds Hill, Langport. Mr. Walter Bagehot was early trained in banking by his father, and this practical acquaintance with practical work gave a peculiar value to his writings on business subjects, which are further distinguished by a very unusual largeness and breadth of view. The earliest of Mr. Walter Bagehot's works was not, however, on those topics to which most of his energies in later years were devoted. The book consisted of a series of short and very brilliantly written biographies, reprinted principally from the *National Review*, under the title of "Estimates of some Englishmen and Scotchmen," and was published in the year 1858. This was followed by the very interesting short treatise on the "English Constitution," the little volume entitled "Physics and Politics," or "Thoughts on the Application of the Principles of

Natural Selection and Inheritance to Political Society ;" and, lastly, by "Lombard Street," the first edition of which was published in 1873. The last-named of Mr. W. Bagehot's works has reached several editions, and it is mainly by it, and through editing the *Economist*, that Mr. Bagehot achieved the great distinction which he attained as an authority on financial topics. Mr. Walter Bagehot succeeded his father-in-law, the Rt. Hon. James Wilson, in the editorship of the *Economist*, when Mr. Wilson became Finance Minister of India, and week by week Mr. Bagehot's remarks on the course of business events were read with an interest which never flagged, and which continued to increase and expand as the great qualities of the writer became better known in the course of years. To an almost unrivalled lucidity of expression there was added a great breadth of thought, a most unusual power of seeing the force on both sides of an argument, combined with an unflinching grasp of the real facts of the case. The weekly articles in the *Economist* on the most important political and financial questions of the day, have been of great value in assisting the formation of a sound public opinion on many subjects, and Mr. W. Bagehot's services to the business men of his time will be long remembered with respect and honour.

Mr. W. Bagehot was one of the very small number of Englishmen who gave evidence before the "Enquête sur les Principes et les faits généraux qui régissent la circulation monétaire et fiduciaire," held at Paris in 1865. His evidence before the Select Committee of the House of Commons on Banks of Issue, 1875, will be fresh in the memory of our readers.

There is a natural regret in which all, doubtless, have participated when the career of the young, full of early promise, is cut short by death, but the feeling of sadness at the loss of a man struck down in the complete force of his maturer powers, when his ripened value is completely appreciated by his contemporaries, and yet many years of usefulness might naturally have been hoped for, is, perhaps, even deeper and more lasting. While one remembers the past, the temperate judgment, the sound teaching, one cannot help thinking how often occasions may arise in which, had a greater length of life been granted, the counsel which we have lost might have been of the greatest service to the community.

In the full exercise of energetic vigour

"Comes the blind fury with th' abhorred shears

And slits the thin-spun life—But not the praise,"

nor, we may well add, the instruction to those who will read the many lessons contained in the works of Mr. Walter Bagehot.

The Chancellor of the Exchequer, in his recent Budget statement, having occasion to refer to the new form of Treasury bills lately issued, took the opportunity to introduce a kindly notice of the late editor of the *Economist*:—"While speaking on this subject" he said, "I cannot avoid making a passing allusion to the name of

a gentleman who took a great interest in this as in many other economical measures, and who, by his advice, contributed not a little to the successful adoption of the scheme in question, but who has very recently been removed from us, and by whose death I am sure England has sustained a great loss. I refer to the late Mr. Walter Bagehot, who was well known to members of this House, and whose reputation extended over the country."

BANK CLERKS' PROVIDENT FUNDS.

IV.

THERE is evidence in the proceedings of those banking companies in which provident funds have been established among the officers and employés, not only of the permanence of the funds, but of their continuous extension, modification and improvement. The whole work hitherto has been a work of progress towards fuller and better arrangements. Originating often in benevolent contributions in cases of extreme necessity, the idea gradually developed in favour of more systematic arrangements, in which the recipients, unless their claims lapsed through their own misconduct, should partake as of right in the benefits. Rates of contribution were agreed to; the nucleus of a fund formed; and as the interest of the officers and servants of the company themselves increased in the subject, what was confined to a few became more general, till the directors and managers, seeing the importance of the system, gave a great impulse to the movement, meeting in some cases the employés more than half way, placing the funds on a stronger and broader foundation, adding new elements of provision, and helping to place all the regulations in a legal, binding, and permanent form. When the system was thus far consolidated it has sometimes been made compulsory, and embraced all in the employment of the company.

This has been much the course followed in the case of the Scotch banks, where some provident association among the officials and clerks was early taken up, and has been steadily extended and improved; though in no case, probably, has it yet assumed quite so large and varied a scale as in some of the greatest London banks. The arrangements in Scotland, however, are everywhere well spoken of, have been satisfactory and prosperous in their results, and probably had considerable influence in extending the movement in the metropolis.

The provident funds of the Scotch banks, with the exception of a Guarantee Fund in some few cases, have been directed chiefly to the endowment of the widows and children of deceased officers and other employés.

The fund of the Bank of Scotland for the latter purpose was established in 1821, and has thus had more than half a century of successful operation and experience. It is wholly conducted by the contributors, who have an annual general meeting for the revision of rules, and the appointment of a committee of management, in which the treasurer of the bank sits *ex officio*. But the rules are approved and confirmed by the directors, who are, also, final arbiters in any dispute arising in connection with the fund; and under this sanction the system has become obligatory on all in the service having a salary of £30 or upwards, including messengers and other servants of the bank. The latter take a lower interest in the fund than the clerks and officials, which, however, may be increased from time to time; and they have votes at the annual meeting in proportion to their interest. The contributions to the fund are annual payments according to the amount of salaries; an entrance fee, increasing with the number of years of age above 21 at which one enters the service; a marriage-tax; an equalising tax in event of the age of the husband exceeding that of the wife, and in proportion to that excess of age; and a child tax, in lieu of marriage-tax, in the case of the entrant being a widower with a lawful child or children under age. The annuities granted are strictly alimentary, and it is provided that they shall not be subject to arrestment or any other legal diligence, or forestalled or discharged by any annuitant. From the peculiarity of this system it may be presumed that, having been founded at an early period, and having proved always adequate to the purposes in view, it has retained its original outlines, subject to such minor modifications as may have been adopted at the annual general meetings. The marriage-tax might almost be objected to as an unhandsome embargo on matrimony, but more probably it has only the effect of inducing the officers and employés of the bank to prepare all the better for the great event of life, and ample reason is found for it in the fact that it is only the married men, and widowers who have children under age, who benefit from the fund. The bachelors go on paying cheerily a lower annual rate than the married men, conscious that by a little fine on their salaries they are doing a good and proper act in itself, as well as preparing for that consummation of their own happiness which all the Benedict class of people are well known to entertain to the last hour of their lives. 'The Widows' and Orphans' Fund of the Bank of Scotland, invested in Government and approved stocks or in real and heritable securities under instructions of the committee of management, and as often as practicable placed in the names of the Governor and Company, or of

three of the bank's officers as Trustees, is in a highly prosperous condition. We are informed that the annuities which the contributors have to dispense are, at the present time, £45 to a widow, and the same to the children, being minors.

The Officers Widows' Fund of the Royal Bank of Scotland appears, from the original contract, to have begun as far back as 1820; and it is now consolidated and regulated by an Act of Parliament passed in 1870. It appears from the preamble of this Act that the annuity payable from the fund at that time to the widows of deceased officers and clerks was £80, and to the widows of deceased porters £20 per annum; and that the fund having been calculated to be sufficient to yield annuities of £100 in the one category and £25 in the other, it was expedient to extend the fund more generally among the officers and clerks of the bank, not only in Edinburgh and Glasgow, to which it was originally confined, but in all the branch offices, therefore it was desirable that this Act should be passed. The Act, in effect, provides that the widows of contributors to the then existing fund shall receive annuities of the amounts named in the preamble, on a continued annual payment, in the case of officers and clerks, at the rate of £4, and in the case of porters at the rate of £1; and that the annuities of widows of future contributors shall pass under three classes—£60, £40, and £20—according to a scale of payment annexed to the Act. The purchase of an annuity for the widow and children under age of a marriage, is more onerous than might seem. It is as different as possible from the payment of a fixed sum on a policy of insurance at death. A capital sum of £100 at death, for example, may be purchased at 25 years of age for an annual payment of £2 or less. But if the right of a widow or children, or both together, to an annuity of £100 should extend, in the course of nature, only over ten years after the decease of the head of the family, the liability of the fund would be £1000. The scale of payments for annuities to widows and children, annexed to this Act, is consequently formidable enough to those who may not be initiated in these matters. An unmarried man, for example, of 22 years of age, must begin to pay £6. 8s. 7d. a year to secure an annuity covering the surviving life or widowhood of his supposed wife, and the minority of all his supposed children. If a man be already married at 22, he must begin to pay £10. 1s. 5d. a year. And these rates increase on both sides at every subsequent year in which the action is taken, till at 46 the bachelor and the married man have to pay precisely the same annual sum to secure the same results, viz., £16. 10s. The actuaries work out strange but still very accurate results. There is just

as much probability that a bachelor of 46, or even to 56, will marry a lady much younger than himself, and leave at his decease a number of young children, as that a man, having married any time between 36 and 46, will have done substantially the same thing as regards an annuity for his relief and offspring. It may be observed that the Royal Bank Act, though entitled the "Officers Widows' Fund Act," applies to lawful children of marriage, with or without widow, as in the case of the Bank of Scotland, though it is put more clearly in the Act of the Royal than probably elsewhere. If the wife has predeceased the husband, the annuity falls to the children in minority; and if the wife survives the husband, the annuity still falls to the child or children then in minority. The minority of son or daughter alike extends to 21 years of age, and nothing can be clearer than the words of the clause declaring the status of the children—"that the right of such children to the said annuity shall cease on their respectively attaining the age of 21 years, and shall accresce and devolve to the other child or children (if any) under that age." The claim of the children to the annuity has the same effect whether the widow die or marry again. The Act of the Royal Bank gives contributors the power, by deed or writing, to apportion the annuity one-half between the widow and the children. There is, also, a clause in the Royal Bank Act maintaining the marriage and equalising taxes of the original system. That is to say, a contributor who has entered as a bachelor, is required on his marriage to pay £5 to the treasurer of the fund, and one pound more for every year his age exceeds that of his wife—this being obviously a point of honour between the bachelors and married men of the Scotch banks, all, no doubt, hovering equally on the verge of Hymen, but every one more audacious than the rest in entering the temple being deemed fair prey for a few pounds more to the fund. Though there must have been much merriment over this part of the question in the Scotch banks, yet it all seems to proceed on a scientific calculation. The one pound more for every year the age of the bridegroom exceeds that of the bride is very significant, and goes down, indeed, to the depths of social philosophy.

The Act, 1870, of the Royal Bank of Scotland, transferred the whole property and effects of the then existing fund to a body of trustees, consisting of the principal officials of the bank, under the guarantees already described to the then present contributors, and inaugurated a rate of payments on a scale of annuities suited to the various classes of employes in all its numerous offices. But the fund remained one and indivisible.

A contributor entering under one amount of annuity could rise to a higher under carefully estimated provisions; and if a contributor should leave the employment of the bank, he could either continue his contributions plus 20 per cent. and retain his interest in the fund, or surrender it on valuation, without being entitled to claim repayment of any part of the contributions he had paid. This system, though regulated of late by an Act of Parliament, has hitherto been entirely voluntary in its operation. The number of contributors at Candlemas, 1876, was still no more than 101, and yet the excess of income over expenditure for that year was £1,820, and the total invested funds £29,445, of which consisted £11,210 of Royal Bank stock, bought for the fund and appearing in the balance-sheet at £16,253, but now worth £26,544. For every contributor there was in reality nearly £300 of invested funds. It would appear from the report of the last annual meeting that there is some disappointment that the membership has not increased more rapidly than it has done, and measures are in progress to give the scheme a broader compass. Very probably the system of provision for widows and orphans in the Royal Bank of Scotland will gradually become obligatory on all the officers and employes of a certain age and salary, as in several other cases, with probably a reduction of the payments.

The National Bank of Scotland, proceeding on a voluntary contract among the officers and employes to raise and maintain a fund for the benefit of their widows and children, resolved by a minute of directors in 1857 that all persons thereafter entering the service of the bank, should be bound, as a condition of their appointment, to become members of this Annuity Fund. The British Linen Company, the Commercial, and probably one or two more of the Scotch banks, have similar funds, directed mainly, as the rule in Scotland appears to have been, towards provision for the widows and orphans of deceased employes of the banks. But, not to repeat, let us take the case of the National, whose procedure was somewhat different from that of the older banks already mentioned.

The National, seeing that the question of provision for widows and orphans chiefly concerned married men, adopted the Carlisle tables regarding that branch of insurance as the basis of the payment of their married employes; but, to connect the scheme throughout, required from unmarried employes, in receipt of £50 salary and upwards, an annual payment to the fund of £2 2s., irrespective of ages. And, in the same sense, when the wife of a married member died, and he had no children, or when he had no children in minority or under twenty-one years of

age, he ceased to pay the married rate, and was only liable for the uniform payment from all unmarried members of £2. 2s., unless, indeed, he married again, in which case he was rated once more on the matrimonial scale. The minor rules of the National Bank, with respect to the claims of widows and children, follows much the same model as that of the older banks in Scotland, only there is no special tax on the event of marriage, or equalising tax for the excess of age of the bridegroom over the bride, as in the cases above noted. But as the scheme of the National contemplated only a maximum annuity of £20 to any widow, the payments, of course, were less heavy, and may have carried all the less interest both among the directors and the officials.

It may be observed of all these Widows and Orphan Funds of the Scotch banks that they are supplemented by donations from directors and others, and are supported throughout in a generous spirit. In every case the anxiety seems to be to increase the annuities on a dependable basis. The funds and their liabilities are specially investigated by actuaries at stated periods—generally every five years—and the committee of management is more or less liberal in its dispensations of amount of annuity as the report may advise. There is usually a proviso that the annuities may either be increased or diminished as the state of the fund may impose. But hitherto the optional proviso thus reserved has been exercised on the line of increase.

We believe that it has been the practice of the Scotch banks to grant retiring allowances or pensions to such of their officers and servants as from long service, illness or other sufficient reasons may have retired from active duty, and these payments were in the ordinary way debited to the annual charges of the bank. It occurred, however, to the Clydesdale Banking Company that it would be a desirable thing to set apart a distinct fund from which these allowances could be drawn. The following clause from the report by the directors of the Clydesdale Banking Company to the thirty seventh general meeting of the partners held on February 3rd, 1875, shows the conclusion to which the directors came on this subject:—

“The bank having now been established for upwards of thirty-six years, the directors have had to consider the cases of several officers, who from advancing years and length of service, might fairly look forward to be released from active duty, and they would recommend to the partners that the board should be authorised to form a Superannuation Fund, for the purpose of meeting such retiring allowances, as they may consider warranted by the circumstances of each case.”

With respect to Guarantee Funds, the Bank of Scotland and the Clydesdale have probably the lead of other Scotch banks in an integral system of security, founded on the contribution of their own officials, and exercising a common influence through the whole service. The regulations of the Bank of Scotland in a department, generally well attended to by all the banking companies in one form or other, may not be unworthy of note. The bank requires from every officer an amount of security fixed from time to time by the directors—the minimum amount being £500—and, in lieu of the ordinary modes of finding such security, has deemed it best and most expedient to call upon every officer to pay to the credit of the Guarantee Fund 2s. 6d. per cent. per annum on the amount of security attached to his office. The directors contributed to the fund £500 during each of the first four years of this system. The fund, while credited with the contributions from the bank and the annual payments of the officers, was to be debited with all losses which might be sustained by the acts or defaults of any officer, so far as the same might not be recovered from the officer himself; but the demand of the bank on the fund should be limited to the actual sum for which the defaulting officer was required at the time to find security. The fund was to be placed in deposit with the bank at 4 per cent. interest, and when the balance at the credit of the fund reached £10,000, and so long as such balance was maintained, the surplus was to be carried to the Widows' Fund. When the balance at the credit of the guarantee amounted to £8,000, further payments from officers who had contributed in all £1 per cent. of the amount of security required from them stopped, and were not to be resumed till the balance of the fund was reduced to £7,000. They might then be called upon to contribute 2s. 6d. per cent. on the amount of their security till the balance rose again to £8,000. This arrangement was not to relieve any officer from a personal bond of security to the bank, which would remain in every respect the same as if the Guarantee Fund had never been constituted; but it was provided that all cautionary obligations held by the bank from the officers should, six months after their first contribution to the Guarantee Fund, be discharged. In the case of officers who contributed the full premium required by the Bankers' Guarantee and Trust Fund of London, and were not members of the Widows' Fund, they should not be required to contribute to the Guarantee Fund so long as the other security was satisfactory to the directors. But officers holding the security of the Bankers' Guarantee and Trust Fund, who were members of the Widows' Fund, would be held to be in the same position as those who

had paid 20s. per cent. to the Guarantee Fund, and would only be required to contribute to that fund equally with them. This is the system of guarantee in operation in the Bank of Scotland for the last seven or eight years, and the result, we believe, has been there the same as in other cases. The Guarantee Fund is entirely prosperous. Four or five years' contributions from the officials in a lifetime, or half a lifetime, keeps it full; and so far from being a burden on the hard-working clerks of the banks, it relieves them from the heavier cost of the Guarantee Companies, or the still more disagreeable burden of finding private cautioners.

LADIES AS BANK OFFICERS.

We take the following statement from the *American Bankers' Magazine* of April. It will be of interest to those who desire to see further openings for the employment of women in this country.

Miss Frank McGrew has been appointed assistant cashier of the First National Bank of Huntington, Indiana. There are two other instances of female bank officers recorded. Miss Bella Wallace is cashier for Watson, Huber, & Co., bankers, Mechanicsville, Iowa; and Miss Annie M'King for A. W. Naylor's bank, New Sharon, Iowa.

The First National Bank of Huntington was the first one to grace its Board of Directors with the presence of a lady, Mrs. Anna A. Daily having been elected director in 1868, and Mrs. E. J. Purviance, in 1873. Of the First National Bank of Peoria, Illinois, Mrs. Lydia Bradley was elected director in 1875, and of the First National Bank of Canton, Ohio; Mrs. Louisa McCall is one of the Board. In some of these cases the limited number of stockholders left no alternative, while the advantage of superior business qualifications has also led to the choice.

The banking business of A. K. and E. B. Yount, at Fort Collins, Colorado, has for some time been conducted by Mrs. E. B. Yount, the junior partner, who is said to be a lady of rare sagacity and experience in monetary affairs.

BANKING LAW IN GERMANY.

The following extract from the Banking Law in force in the German Confederation is interesting as showing the minute care which is taken in Germany in the present time to secure accuracy of statement as to the position of the Banks in that country. In England we are too apt, it must be allowed, to be careless on these points, and to think such matters immaterial. Good management is the essential thing, beyond any question. It is quite true that no statement, however minute as to details, no mere form of accounts, however stringent in plan, will, of themselves, secure the most important point in Banking, that is, care in making the advances. But on the one hand, while we know that rogues often contrive to evade the trammels imposed by careful forms of accounts, we do not know, on the other hand, how often they may be deterred from crime

through the difficulty imposed through such forms. At all events it will be of service to us to see what other countries consider essential in these matters.

The "Bundesrath,"* of the German Confederation, resolved, in its sitting of the 4th January, 1877, with regard to the directions given to the issuing Banks, as to the entries to be made in their balance-sheets in making up their accounts for the year, that it would require, in conformity with § 8 of the Bank Law of the 14th March, 1875, the following particulars of the credit and debit sides of the accounts to be separately specified in their published balance-sheets for the year.

Firstly, on the debit side (Liabilities).

1. The capital of the Company.
2. The reserve fund.—In so far as this may not have reached the prescribed amount, the particulars stating :
 - (a.) Its amount at the end of the preceding year ;
 - (b.) The amount carried to the credit of this account during the year's operations, in conformity with the statutes, further the total amount resulting from heads a. and b. ;
3. Any reserve fund formed to meet doubtful accounts ;
4. The total of bank-notes issued and circulating, with a statement of the totals which the separate denominations of the notes amount to ;
5. The sum of money due to depositors and on current accounts ;
6. The amount of the deposits, namely :
 - (a.) Those bearing interest, dividing the amounts according to the rates of interest, and time of notice at which they are held ;
 - (b.) Those not at interest ;
7. The amount of interest due on deposits ;
8. The amount of duty on notes in circulation due to the Imperial treasury according to §§ 9 and 10 of the Bank Law ;
9. The amount of profit and loss, according to the statement, to be published together with the balance-sheet of the current year (§ and Section 1, Letter 2, of the Bank Law.

Secondly, on the credit side (Assets).

1. The amount of gold in bars or of foreign money, the pound fine valued at 1,392 marks.
2. The amount of cash, under the heads of
 - (a.) Current coin struck at the German mint.
 - (b.) Notes of the Imperial treasury.
 - (c.) Notes of the bank itself, stating the amount of the separate denominations of the notes.
 - (d.) The notes of the Imperial Bank.
 - (e.) The notes of other banks.
3. The amount of silver in bars and specie ;
4. The amount of bills, including those under heading 8, namely :
 - (a.) Local bills.
 - (b.) Bills for collection on places in Germany.

As regards a and b under separate heads of the bills falling due within the next fifteen days.

* The *Bundesrath* is the Council of the Confederation, and is composed of permanent delegates from the different German Governments. It forms a sort of German Ministry in which each State has votes according to its population.

- (c.) Bills on places out of Germany divided according to the currency they are drawn in.
5. The amount of *Lombard Claims*, i.e., advances against security, excluding those under heading 8, namely :
- (a.) On gold or silver.
 - (b.) On securities (including bills) of the kind described in § 13, Section 3, Letters *b, c, d*, of the Bank Law.
 - (c.) On other securities.
 - (d.) On goods.
6. The amount of securities, namely :
- (a.) Discountable securities.
 - (b.) Investments in stocks and shares.
 - (c.) Securities in the reserve fund.
- As regards *b & c*, under the headings of the descriptions and the values according to which they are entered in the balance-sheet.
7. The amount due to the bank on current accounts, separating the amounts according to the kind of guarantee held for payment, as surety, pledge of securities, goods, mortgages, &c.
8. The amount of the bills and *Lombard Claims* due but unpaid.
9. The value of the property belonging to the bank.
- Besides these the eventual liability arising from Bills endorsed and payable within the country must be exhibited in the balance of the year, according to the final requirements of § 8 of the Bank Law.

Banking and Commercial Law.

The following recent judgment of the Exchequer Division of the High Court of Justice, in the matter of *Gattie v. Fry & Co.*, which came before the Court on appeal from the Westminster County Court, calls for notice. The question in issue was as to Stamp duties—Cheque payable to bearer—Post-dated to the knowledge of the person receiving it—Admissibility of in evidence—Effect of stamp on—Stamp Act, 1870—Sects. 17, 48, 54.

The plaintiff sought to recover the amount of a cheque, which, it appeared, was dated 1st July, 1876, having been drawn in the previous month of May, and having been taken for value by the plaintiff in the intermediate month of June. The statement of claim (1) alleged that the defendants, on the 1st July, 1876, by their cheque or order for the payment of £20, directed to the agent of the Bank of England, Western Branch, Burlington Gardens, required him to pay to H. C. Johnson, Esq., or bearer, £20, and the said H. C. Johnson indorsed the same to the plaintiff, and the same was duly presented for payment, and was dishonoured, whereof the defendants had due notice, but did not pay the same; (2) the plaintiff claimed the amount of the said cheque, and interest thereon at the rate of 5 per cent. per annum, from the 1st July, 1876, to judgment.

In answer to the above, the defence was: (1) The cheque for £20 mentioned in the statement of claim was given by the defendants to H. C. Johnson therein mentioned, and was post-dated for his accommodation and without value, of which the plaintiff had due notice, and the said H. C. Johnson indorsed the same to the plaintiff, for the plaintiff's accommodation, in exchange for the plaintiff's post-dated cheque for £20, and the plaintiff has not yet paid his said cheque, or any part thereof. (2) Before this action was brought the said H. C. Johnson paid to the plaintiff the sum of £10 in part payment and on account of the said defendant's cheque, on which this action was brought.

At the trial it was held by the learned judge of the County Court, that as the cheque was taken for value, and at the time it was taken it was known by the party taking it to be post-dated, it was not a valid instrument, and thereupon a verdict was directed to be entered for the defendants, but leave was reserved to the plaintiff to move to enter the verdict for himself, if the court should be of opinion that the cheque was, under the circumstances, a valid instrument.

Baron Cleasby, in delivering judgment, said—The only question was, whether a cheque payable to bearer, which was in fact post-dated to the knowledge of the person receiving it, was admissible in evidence. The Stamp Act now in force is 33 & 34 Vict., c. 97; most of the earlier Acts, including sect. 18 of 55 Geo. 3, c. 184, by which the question raised in this case was formerly affected, being repealed by 33 and 34 Vict., c. 99. By sect. 17 of 33 and 34 Vict., c. 97, no instrument which is not properly stamped is receivable in evidence, and by sect. 54 a person who receives a bill not duly stamped cannot recover upon or make it available. The term "bill of exchange" includes a cheque (sect. 48), and by the schedule a bill of exchange payable on demand is liable to a duty of one penny. The question, therefore, is whether if, upon the face of the instrument itself the stamp is sufficient, as is the case here, as the cheque was payable on demand, it cannot be used in evidence because in fact when it was given, being post-dated, it was not payable. We think this case is concluded by authority, and that in considering whether the stamp is sufficient we must look at the instrument itself alone. Any other conclusion would have introduced the greatest difficulty in the administration of justice, and before a judge could determine whether the stamp was sufficient the trial would be interrupted by collateral inquiries as to facts accompanying the giving of the instrument. What the Act requires is that a particular instrument, which

means the paper with certain things written upon it, shall have a particular stamp applicable to that instrument, and not to that instrument coupled with other circumstances. The only reason for reserving our judgment in a case otherwise so clear was the concluding sentence in the judgment of Blackburn, J., in *Austin v. Bunyard*, in which he intimates an opinion that probably the knowledge of the person receiving the cheque that it was post-dated when he took it might make a difference. But that would not show that the instrument itself was improperly stamped, but that a different instrument ought to have been drawn with a different stamp. The consideration that the Revenue might be defrauded by what was done has nothing to do with the admissibility of the instrument in evidence. Legislation might prevent this, but such legislation, if directed to the admissibility of the instrument, would cause great inconvenience. The authorities are also decisive upon this view of the case. The rule will therefore be made absolute and with costs.

Reports of Joint Stock Banks.

AGRA BANK, LIMITED.

REPORT of the directors to the proprietors at the 43rd annual general meeting, held at London, 20th March, 1877.

The directors have, as usual at this season, to submit for the information of the shareholders the balance-sheet of the bank, made up to the 31st December, 1876, and the profit and loss account for the past year, showing, after making adequate provision for outstanding contingencies, a net surplus of £98,752. 19s. 7d. It will be observed that these accounts represent continued progress and improved profits, to which the various establishments of the bank have all contributed in fair proportion, and the management of the business at these several centres of working during the period which the accounts embrace has been most satisfactory to the directors. There is only one item in the balance-sheet to which it seems necessary to refer in this report, namely, the increase of £6,846. 8s. 6d. under the head of house property. This additional asset consists of the purchase-money of a small tenement and yard attached, both freehold, in Clement's-lane, contiguous to the bank's present premises in Nicholas-lane, and which were so situated as to interfere with plans for turning the portion of the latter not required for occupation by the bank to profitable use. The purchase in question is subject to a lease, of which about three years are still unexpired, and when the same falls in, the directors have every expectation of being able to make arrangements which will augment the annual rental value of their City property. The net surplus profits available for distribution, as above mentioned, the directors recommend should be appropriated as follows:—Intermediate dividend paid on 1st October, 1876, at the rate of 5 per cent. per annum (free of income-tax), £24,699. 5s.; further dividend recommended to be paid at the rate of 6 per cent. per annum (free of income-tax), £29,639. 2s.; apportionment to the reserve fund, which will then stand at £120,000, £40,000; balance to be carried forward to credit of present year, £4,414. 12s. 7d.; net surplus, £98,752. 19s. 7d. It is a source of gratification to the directors that the net profits realised should admit of the payment of a larger dividend as compared with the previous year, and at the same time of an equivalent and substantial increase to the reserve fund. The importance of

large annual additions to the bank's reserve, so far as the earnings will allow, cannot in their opinion be over estimated. The effect of what has already been done in this direction has been materially to improve the marketable value of the bank's capital, and still more, by the confidence which it has imparted to the public in the bank's financial position, to promote its general business and usefulness. The fund is still much less, however, than the status and commercial connections of the bank require, and the directors regard the proposed appropriation on the present occasion, which will bring up the fund to the sum of £120,000, as essential to its monetary standing and influence. In conformity with the 84th clause of the articles of association, H. J. Ebsworth, Esq., vacates office, but offers himself for re-election. The retiring auditors, Edwin J. Galsworthy, Esq., and Major-General J. T. Boileau, F.R.S., likewise offer themselves for re-election for the current year.

Balance Sheet, 31st December, 1876.

LIABILITIES.

<i>Dr.</i>		
Capital—Amount paid up	£987,970	0 0
Reserve fund—Amount of this fund on 31st December, 1876, £80,000; increase now proposed by transfer from the year's profits, £40,000	120,000	0 0
Deposits—Current accounts, £737,130. 2s. 6d.; fixed deposits, £2,066,521. 19s. 11d.	2,803,652	2 5
Exchange—Bills payable, including credits issued	1,222,806	6 6
Profit and loss—Balance brought forward from 31st December, 1875, £8,438. 4s.; net profits of 1876, £95,314. 15s. 7d.; surplus, £98,752. 19s. 7d.; less added to reserve fund, £40,000	58,752	19
	<u>£5,193,181</u>	<u>8 6</u>

ASSETS.

<i>Cr.</i>		
Cash in hand	£304,077	19 10
House property	152,000	0 0
Investments—Government securities, £642,442. 9s. 9d.; discounts, loans, credits, and other investments, £2,160,333. 11s. 4d.	2,802,776	1 1
Exchange—Bills receivable, including security for credits issued, £1,477,041. 8s. 6d.; amount current in exchange operations, &c., £457,285. 19s. 1d.	1,934,327	7 7
	<u>£5,193,181</u>	<u>8 6</u>

Profit and Loss Account, December 31st, 1876.

<i>Dr.</i>		
Dividend—Intermediate half-yearly dividend, paid 1st October, 1876 (free of Income-tax), at 5 per cent. per annum, £24,699. 5s.; ditto recommended to be declared in full of the year 1876, being at the rate of 6 per cent. per annum for six months (free of income-tax), £29,639. 2s.; Reserve fund—Amount recommended to be transferred to credit of this fund out of surplus, £40,000	£94,338	7 0
Balance carried forward	4,414	12 7
	<u>£98,752</u>	<u>19 7</u>

<i>Cr.</i>		
Balance—Brought forward from 31st December, 1875 ..	£3,488	4 0
Profits—Amount realised during the year 1876, less set aside for bad and doubtful debts, £264,161. 9s. 7d.; deduct interest allowed on deposit account, £106,969; expenditure for management, &c., and income-tax, £51,877 14s. ..	95,814	16 7
	<u>£98,752</u>	<u>19 7</u>

ANGLO-ITALIAN BANK, LIMITED.

Report presented to the shareholders on the 8th February, 1877.

Herewith the directors beg to submit a statement of the accounts of the bank for the year ending 31st December, 1876. By reference to the report and balance-sheet issued to 31st December, 1875, it will be seen that the available balance at credit of profit and loss account on that date was £8,075. 8s. 4d. Of this amount the sum of £2,500 was, by resolutions of the general meeting of the shareholders, held on 2nd February, 1876, carried to credit of reserve fund, the sum of £3,000 appropriated to the payment of a dividend, and the balance of £2,575. 8s. 4d. brought forward to credit of profit and loss new account. The accounts now presented show a gross profit for the past year of £8,519. 3s., which, added to the balance of £2,575. 8s. 4d. brought forward, makes a total at credit of profit and loss of £11,094. 11s. 4d. Deducting the current expenses of the company, £3,268. 9s. 7d., and interim dividend paid to 30th June last at the rate of 5 per cent. per annum, amounting to £2,500, there remains a disposable balance of £5,326. 1s. 9d. The directors now propose to pay a further dividend at the rate of 5 per cent. per annum, which will require £2,500, and to carry forward the balance of £2,826. 1s. 9d. to profit and loss new account. The directors who retire by rotation are Philip J. Curtis, Esq., William Irving Hare, Esq., and Sir James Lacaita, K.C.M.G., who, being eligible, offer themselves for re-election. Mr. W. C. Curtis and Mr. J. Waddell offer themselves for re-appointment as auditors to the company for the ensuing year.

Balance-sheet 31st December, 1876.

<i>Dr.</i>		
Capital, 10,000 shares at £10 each	£100,000	0 0
Amount due on current and deposit accounts	40,675	0 0
Other liabilities	34,154	6 9
Reserve fund	2,500	0 0
Balance (as per statement subjoined)	5,326	1 9
	<u>£182,655</u>	<u>7 6</u>

<i>Cr.</i>		
Securities, discounts, and loans, &c.	£178,708	6 11
Cash at bankers	3,952	0 7
	<u>£182,655</u>	<u>7 6</u>

Profit and Loss.

<i>Dr.</i>		
Current expenses	£3,268	9 7
Interim dividend to 30th June, 1876	2,500	0 0
Balance	5,326	1 9
	<u>£11,094</u>	<u>11 4</u>

<i>Cr.</i>							
Balance brought forward..	..	..	..	..	..	..	£2,575 8 4
Gross profit ..	..	..	..	..	..	..	8,519 3 0
							<u>£11,094 11 4</u>
By balance brought down..	..	..	..	..	..	..	<u>£5,326 1 9</u>

THE AUSTRALIAN JOINT STOCK BANK.

FOURTY-EIGHTH report presented to the shareholders at the half-yearly general meeting, held at Sydney, 24th January, 1877.

The directors have much pleasure in presenting the report for the half-year ending 31st December, 1876. The accounts have been examined and certified by the auditors. The net profits for the half-year, after deducting rebate on bills, interest on deposits, and providing for all bad and doubtful debts, amount to £40,035 13s. 11d., to which has to be added the balance of undivided profits from 30th June, 1876, £1,726 4s. 9d., making available for distribution £41,761 18s. 8d. To be appropriated as follows:—The Reserve Fund, \$10,000; Dividend at rate of 10 per cent. per annum, £25,000; Bonus of 1s. per share equal to 1½ per cent. per annum, £3,125 total £38,125—leaving a balance to be carried forward of £3,636. 18s. 8d. Three of the directors—J. S. Mitchell, Esq., Alexr. Learmonth, Esq., and William A. Long, Esq.—retire from the Board at this meeting, two of whom are eligible for re-election. Messrs. Learmonth and Long, with Walter Friend, Esq., have given the requisite notice, and are candidates for election as members of the Board of Management. The directors regret that, owing to the pressure of private business, Mr. Mitchell will now retire from the position of Chairman of the Board, which he has filled with so much satisfaction to the shareholders during the last seven years. Mr. Mitchell has been a director for eleven years, and acted as managing director during a time of considerable difficulty, and by his firm and judicious action paved the way for the success which has since attended the business of the Bank. Two auditors will have to be elected for the ensuing year, in place of Messrs. A. H. J. Baas and G. N. Griffiths, who retire. The alteration of the 42nd clause of the Deed of Settlement, passed at the last half-yearly meeting of shareholders, was confirmed by a special meeting held on 4th August last. Branches of the Bank have been opened at Dubbo and Hillston, and an agency at Rockley, in New South Wales, and a branch at Dalby, in Queensland. The branch at Millichester has been closed.

Balance-sheet, 31st December, 1876.

<i>Dr.</i>							
Capital paid up ..	..	..	..	..	..	..	£500,000
Reserve fund ..	..	..	..	..	..	..	95,000
							<u>£595,000 0 0</u>
Notes in circulation ..	..	..	..	..	..	..	304,527 0 0
Bills in circulation and other liabilities ..	..	..	..	..	..	..	456,359 7 2
Deposits ..	..	..	..	..	..	..	2,284,598 6 8
Profit and loss ..	..	..	..	..	..	..	47,695 13 6
							<u>£3,688,080 7 3</u>
<i>Cr.</i>							
Coin and bullion ..	..	..	..	..	..	..	£545,926 6 6
Cash balances and notes of other banks ..	..	..	..	..	..	..	152,350 13 3
Government securities ..	..	..	..	..	..	..	45,025 0 0
Bank premises ..	..	..	..	..	..	..	79,146 10 3
Bills discounted, and other debts due to the bank ..	..	..	..	..	..	..	2,865,631 17 3
							<u>£3,688,080 7 3</u>

*Profit and Loss.**Dr.*

Rebate on current bills	5,833	14	9
Reserve fund	10,000	0	0
Dividend at rate of 10 per cent. per annum	25,000	0	0
Bonus of 1s. per share on 62,600 shares	3,125	0	0
Balance carried forward to next half-year	3,636	18	8
	<u>£47,595</u>	<u>13</u>	<u>5</u>

Dr.

Balance brought forward from last half-year	£1,726	4	9
Profit for the half-year ending 31st December, 1876	46,869	8	8
	<u>£47,595</u>	<u>13</u>	<u>5</u>

*Reserve Fund.**Cr.*

Balance	105,000	0	0
	<u>£105,000</u>	<u>0</u>	<u>0</u>

Cr.

Balance from 30th June, 1876	£95,000	0	0
Amount from profit and loss	10,000	0	0
	<u>£105,000</u>	<u>0</u>	<u>0</u>

The report was adopted, and ordered to be printed and circulated among the proprietors. Alexander Learmonth, William A. Long, and Walter Friend, Esqs., were elected Directors. G. N. Griffiths and C. H. Myles, Esqs., were elected auditors for the ensuing year. It was moved by the Hon. S. D. Gordon, and seconded by C. H. Humphrey, Esq., "That the best thanks of the shareholders be given to Mr. Mitchell, on his retirement from the position of Chairman, for his valuable services during so many years, and that this resolution be recorded on the minutes of the Bank's proceedings." A vote of thanks was given to the directors and officers of the Bank for their successful management during the past half-year.

BANK OF ADELAIDE.

THE eleventh report of the directors to the shareholders at the annual general meeting held at Adelaide, South Australia, 7th February, 1877; the Honourable Alexander Hay, M.L.C., in the chair.

The directors beg to submit for the information of the shareholders the accounts and balance-sheet for the year ending 25th December, 1876. After payment of all expenses, and making provision for bad and doubtful debts, there remains a net profit for the year of £48,174. 15s. 7d.; to this has to be added the balance from last year, £6,388. 0s. 4d.; making a total available for distribution of £54,562. 15s. 11d. Of this amount there has already been paid as an interim dividend at the rate of 10 per cent. £20,000; the balance, £34,562. 15s. 11d. the directors propose to appropriate as follows:—To payment of dividend at the rate of 10 per cent. per annum, £20,000; to reserve fund, £5,000; carry forward to next account, £9,562. 15s. 11d.—£54,562. 15s. 11d. After the above appropriation, the reserve fund will amount to £105,000. It will be for the meeting to elect two directors in place of R. Barr Smith and George Main, Esquires, who retire by rotation. The only shareholders who have given notice of candidature are George Main, Esq., and the Hon. Joseph Fisher, M.L.C. It also rests with this meeting to elect auditors for the ensuing year.

Balance Sheet, for the Year ending 25th December, 1876.

<i>Dr.</i>			
Capital	£400,000	0	0
Notes in circulation	70,611	0	0
Deposits not bearing interest, £219,209. 14s. 2d.; do. bearing interest, £337,489. 13s. 10d.	556,699	8	0
Bills in circulation	2,192	6	11
Balances due to other banks	4,417	9	0
Interest due on fixed deposits, and rebate on bills discounted	9,866	11	1
Profit and loss, net amount for the year, £48,174. 16s. 7d.; Balance brought forward, £6,388. 0s. 4d.; less interim dividend paid, £20,000	34,562	16	11
Reserve fund	100,000	0	0
	<u>£1,178,349</u>	<u>9</u>	<u>11</u>
<i>Cr.</i>			
Specie on hand, £139,170. 16s. 5d.; Bullion on hand £560	£139,730	16	5
Bills receivable and all other advances	973,347	4	3
Balances due from other banks	37,301	1	7
Bank premises, furniture, stationery, &c.	15,487	19	7
Remittances in transitu	12,482	8	1
	<u>£1,178,349</u>	<u>9</u>	<u>11</u>

Profit and Loss Account.

<i>Dr.</i>			
Current expenses, including salaries, rent, &c.	£14,449	17	10
Interest due on fixed deposits and rebate on bills discounted	9,866	11	1
Net profit for the year	48,174	16	7
	<u>£72,491</u>	<u>4</u>	<u>6</u>
<i>Cr.</i>			
Gross profit for the year, after providing for bad and doubtful debts, as estimated by the directors and manager	£72,491	4	6
	<u>£72,491</u>	<u>4</u>	<u>6</u>

Reserve Fund.

<i>Dr.</i>			
Balance	£100,000	0	0
	<u>£100,000</u>	<u>0</u>	<u>0</u>
<i>Cr.</i>			
Balance per last balance sheet	£90,000	0	0
Transfer from profit and loss account	10,000	0	0
	<u>£100,000</u>	<u>0</u>	<u>0</u>

The following resolutions were carried unanimously:—"That the report, balance-sheet, and auditors' certificate be received, adopted and entered on the minutes of the meeting." "That the sum of fifty guineas be allowed to the auditors for the past year." "That the following gentlemen be elected directors:—Hon. Joseph Fisher, M.L.C., George Main, Esq." "That Messrs. Henry Rymill and T. E. Bury be reappointed auditors for the current year." "That a cordial vote of thanks be given to Mr. R. Barr Smith, for the valuable

services he has rendered to this bank as a member of the board." A vote of thanks to the chairman, directors, manager and officers of the bank terminated the business of the meeting.

BANK OF AUSTRALASIA.

THE forty-third annual report of the directors to the proprietors, Monday, 19th March, 1877.

The directors have now the pleasure of laying before the proprietors the following statements, which exhibit the result of the business of the year ending the 16th October, 1876, and the balance-sheet showing the bank's position at that date. From the former it will be seen that the net profit realised was £166,034. 5s. 2d., and that, after the appropriation of £6,000 in reduction of the cost of bank premises, and of £10,000 in augmentation of the new reserve fund, which will then stand at £28,000, there remains a balance of £161,578. 10s. 3d. which is available for distribution in the shape of dividend. This result, the directors feel assured, will be regarded as satisfactory by the proprietors. On a review of the past year's transactions, the directors have pleasure in recording their opinion that the business of the bank is sound and legitimate. The latest advices from the Colonies report that trade was healthy, but that the pastoral and agricultural interests were in some districts commencing to feel the effects of the prolonged drought which has existed. The directors have to report with regret, that since the August meeting a vacancy has occurred in the direction by the death of Mr. Henry V. East. The proprietors will at this meeting be called upon to fill up the vacancy thus occasioned. The distribution of profits for the half-year will be at the rate of 12½ per cent. per annum; and a dividend of £2. 10s. a share has been accordingly declared, payable, free of income-tax, in London and the Colonies on and after the 10th April. This dividend will absorb £75,000, leaving a balance of £76,578. 10s. 3d. available for future distribution.

Profit Account, from October 11th, 1875, to October 16th, 1876.

Undivided profit, October 16th, 1875	£151,544	5	1
Less, dividends in April, 1876, £75,000; October, 1876, £75,000	150,000	0	0
	1,544	5	1

Profit for the year to October 16th, 1876, after making provision for bad and doubtful debts, £277,917. 15s. 10d.; less, I. Charges of management: *Colonial*—Salaries and allowances to the Colonial staff, including the superintendent's department, and 67 branches and agencies, £69,292. 5s. 3d.; General expenses including repairs, taxes, stationery, travelling, &c., £26,807. 2s. 6d. *London*—Salaries, £10,882. 11s. 6d.; general expenses, £3,343. 18s. 9d.; II. Income tax, £1,557. 12s. 8d. III. Charge on the profit of the year in reduction of cost of bank premises, £6,000; reserve fund, £10,000

150,034 5 2

Undivided profit, October 16th, 1876 £161,578.10 3

Balance-sheet, October 16th, 1876.

LIABILITIES.

Dr.

Circulation	£327,235	0	0
Deposits	4,291,500	8	2
Bills payable, and other liabilities	1,281,282	11	9
	5,900,017	19	11

Capital, £1,200,000; guarantee fund, £214,123. 0s. 7d.;	
Reserve fund, £28,000; profit account, undivided balance,	
151,578. 10s. 3d.	1,593,701 10 10
	<u>£7,493,719 10 9</u>

ASSETS.

<i>Cr.</i>	
Specie, bullion, and cash balances	£1,160,504 16 1
Bills receivable, securities for advances, and other assets ..	5,931,681 18 4
Bank premises in Australia, New Zealand, and London ..	187,409 15 9
Guarantee fund investments as under	214,123 0 7
£142,488. 6s. 10d. Consols at 91 $\frac{1}{4}$, £130,627. 1s. 8d.	
£68,265. 9s. 11d. Red. 3 per cent. at 88 $\frac{1}{4}$, £60,235. 10s. 7d.;	
£25,000 New South Wales 4 per cent. at 93,	
£23,260. 8s. 4d.; total, £214,123. 0s. 7d.,	
	<u>£7,493,719 10 9</u>

BANK OF EGYPT.

* Report presented to the twenty-first annual general meeting of shareholders, held the 7th February, 1877.

The directors of the bank of Egypt submit to the shareholders at this, their twenty-first annual general meeting, the annexed balance-sheet and profit and loss statement for the half-year which ended on the 30th of December, 1876. The net profits for the last six months, after providing for bad and doubtful debts, rebate of interest, current expenses in London and Egypt, income tax, &c., amount to £8,689. 1s. 4d. This, added to £5,612. 18s. 4d., the balance of undivided profits brought forward from the previous half-year, makes a total of £14,301. 19s. 8d., available for appropriation. The directors recommend that the usual dividend be declared at the rate of 10 per cent. per annum for the half-year (£12,500), free of income-tax, leaving a balance of £1,801. 19s. 8d. to be carried forward to the next account. In conformity with the deed of settlement Mr. Diggle and the Hon. Pascoe C. Glyn go out of office, and offer themselves for re-election. The auditors also retire from office and are eligible for re-election. The Egyptian government securities, consisting of treasury bonds, are now in course of conversion. The directors have received from Her Majesty's Government the supplemental charter granted to this bank for 10 years from the 25th February, 1877.

Balance-sheet, 30th December, 1876.

LIABILITIES.			
Capital paid up	250,000	0	0
Reserve fund.. .. .	110,000	0	0
Bills payable.. .. .	75,995	19	7
Current and other accounts.. .. .	279,788	2	2
Profit and loss, as below	14,301	19	8
	<u>£730,086</u>	<u>1</u>	<u>5</u>

ASSETS.

Cash.. .. .	£258,314	19	1
Invested in consols and new 3 per cents.	110,000	0	0
Bills receivable	116,297	3	3
Egyptian government securities	109,775	8	2

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Viceroy's Daira acceptances	..	..	..	..	..	44,188	4	2
Current and other accounts..	..	..	..	..	..	91,480	6	9
						<u>£730,086</u>	<u>1</u>	<u>5</u>

Profit and Loss, 30th December, 1876.

Dr.

Dividend at the rate of 10 per cent. per annum for the half-year payable on the 8th February	..	...	..	..	..	£12,500	0	0
Balance carried to next account	..	..	..	..	..	1,801	19	8
						<u>£14,301</u>	<u>19</u>	<u>8</u>

Cr.

Balance of undivided profits, 30th June, 1876	..	..	..	..	..	£5,612	18	4
Net profits for the last six months, after providing for bad and doubtful debts, rebate of interest, current expenses in London and Egypt, income-tax, &c.	..	..	..	..	..	8,689	1	4
						<u>£14,301</u>	<u>19</u>	<u>8</u>

CAPE OF GOOD HOPE BANK.

THE half-yearly general meeting was held 15th January, when the following report was submitted to and adopted by the meeting:—1. The directors, in submitting the accounts for the half-year ended the 31st December last, have to report that, after payment of all charges, including interest on fixed deposits, rebate on undue bills, current and other incidental expenses, and making allowance for bad and doubtful debts, the net profits for the half-year amount to £11,084. 6s. 1d., and that, with the balance brought forward from last half-year, there appears at the credit of profit and loss the sum of £14,927. 16s. 8d. 2. The directors have, therefore, much pleasure in declaring a dividend of £5 per share, (equal to 20 per cent. per annum). 3. After payment of this dividend of £5 per share, there will remain at the credit of profit and loss a balance of £7,397. 16s. 8d., to be carried forward to the next half-year. 4. The directors regret having to report to the meeting the death, during the past half-year, of Mr. Henry Reid, for some years a director of this bank. 5. The shareholders will have to elect two directors in the room of C. J. Manuel and James Ansdell, Esqs., who retire by rotation; but have been duly nominated for re-election. 6. Mr. Reid's vacancy and the vacancy caused by the absence from the colony of Messrs. Anderson and Rutherford, will be filled up at the special meeting convened for that purpose, to be held same day.

CHARTERED MERCANTILE BANK OF INDIA, LONDON, AND CHINA.

NINETEENTH annual report of the court of directors to the shareholders, at the annual general meeting held at London, 17th April, 1877.

The directors now present the annual balance sheet, profit and loss and reserve fund accounts to 30th December last. The profit for the year, after making provision for bad and doubtful debts, amounts to £96,004. 0s. 10d. Out of this sum a dividend of 4 per cent., amounting to £30,000, has been paid free of income tax for the half-year ended 30th June, and a further dividend of like amount, free of income tax, is now declared, making together 8 per cent. for the year. In addition to this a sum of £36,004. 0s. 10d. is carried forward to reserve

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fund, which now amounts to £136,717. 16s. 9d. The directors retiring in rotation are Mr. G. G. Nicol and Mr. J. M. Robertson, who, being eligible, offer themselves for re-election, and the court recommend them accordingly. The shareholders will have to appoint auditors for the current year.

Balance sheet for the year ended 30th December, 1876.

LIABILITIES.

<i>Dr.</i>									
Capital paid up	£750,000	0	0						
Current and fixed deposits	3,365,178	6	10						
Bills payable, notes in circulation, and other sums due to the public	4,525,541	8	3						
Reserve fund	136,717	16	9						
Profit and loss account—balance at 30th December, 1876, as undernoted	30,000	0	0						
	<u>£8,807,437</u>	<u>11</u>	<u>10</u>						

ASSETS.

<i>Cr.</i>									
Coin and bullion	\$1,036,945	16	2						
Cash with bankers and money at call	851,432	9	8						
Government securities	463,320	3	5						
Landed and house property at head office and branches ..	220,588	0	9						
Bills receivable, in hand and on deposit, loans, and other debts, &c., due to the Corporation	6,235,161	1	9						
	<u>\$8,807,437</u>	<u>11</u>	<u>10</u>						

Profit and Loss Account.

<i>Dr.</i>									
Dividend for half-year ending 30th June, 1876	\$30,000	0	0						
Expenses of management at head office, eleven branches, and six sub-agencies for year	102,967	15	11						
Amount written off for bad and doubtful debts	5049	7	8						
Amount carried to reserve fund	36,004	0	10						
Balance carried down	30,000	0	0						
	<u>\$204,021</u>	<u>4</u>	<u>5</u>						

<i>Cr.</i>									
Gross profit for the year ending 30th December, 1876	\$204,021	4	5						
	<u>\$204,021</u>	<u>4</u>	<u>5</u>						
1877, January 1st. By balance brought down	30,000	0	0						

RESERVE FUND.

<i>Dr.</i>									
Balance carried down	£136,717	16	9						
	<u>£136,717</u>	<u>16</u>	<u>9</u>						

<i>Cr.</i>									
Balance on 31st December, 1876	\$100,713	15	11						
Amount transferred from profit and loss account	36,004	0	10						
	<u>£136,717</u>	<u>16</u>	<u>9</u>						
1877, January 1st. By balance brought down	<u>£136,717</u>	<u>16</u>	<u>9</u>						

THE CHEQUE BANK (LIMITED).

The following is from the first annual report of the directors :—

The directors, in presenting their first annual report to the shareholders, venture to express their opinion that, notwithstanding various impediments which have retarded the development of the Bank's business during the past year, and the generally depressed condition of trade, its present position and prospects are hopeful and encouraging. The re-organisation of the Bank has been successfully carried out. The new company was registered on the 1st March, 1876, and shares were allotted to the extent of £52,780, of which a large proportion was taken up by the shareholders of the old company. The business of the Bank was handed over to your directors on the 7th March. The directors at once set to work to remodel the arrangements of the Bank, with a close attention to economy, with scrupulous regard to the sound principles on which the Bank had been previously conducted, but with such improved arrangements as experience had shown to be expedient. The premises in Pall Mall have been given up, and the chief office transferred to the city branch, at 124, Cannon-street, a small office only being retained at the West-end (No. 20, Cockspur-street), whereby a considerable saving in expenditure has been effected. This change of premises, coupled with the fact of the old company being in liquidation, led to a wide-spread belief that the Cheque Bank had ceased to exist, and has operated very detrimentally to its progress. Notwithstanding the existence of these impediments, your directors have refrained from incurring any considerable cost in advertising. They believe that the convenience which the Cheque Bank affords to large and important classes of the community, of which many gratifying proofs have been given to the management, will surely and steadily make its advantages known and appreciated. As stated above, the new company commenced business on 7th March. The transfer of customers' balances from the old to the new company has been in gradual operation during the currency of the whole year. The attention of the directors has, during the last six months been specially directed to the extension of the sale of single cheques, which though not materially raising the balances in hand, is, nevertheless, a very remunerative branch of the business. There are now 400 agents who issue these cheques, including 77 banks, and the number is steadily increasing. For various reasons, the appointment of agents could only be gradually effected, and this process is still going on. There are now in relation with the Cheque Bank 628 foreign banks, some of whom make use of the cheques for their own remittances, and 526 banks in Great Britain who receive money, and most of whom sell cheque-books and some single cheques, and their number is gradually increasing. The result of the year's working, with a turnover of £663,000, shows a gradually accumulated balance of £69,000. The present working expenses of the Bank have been reduced to a minimum without any sacrifice of efficiency, and will suffice for the conduct of a much larger business. These expenses average about £697 per month, including the interest on the obligations, commissions to agents, &c., whilst the gross monthly earnings of the Bank have gradually increased from £150 to £500, in the face of difficulties which are being by degrees overcome. By this it is apparent that an increase of £197 per month on the existing business (which may reasonably be anticipated) will enable the Bank to meet all its outgoings, exclusive of the amount to be written off annually from the Preliminary and Establishment Expenses Accounts.

THE COLONIAL BANK OF NEW ZEALAND.

Fifth Report of the Directors to the half-yearly meeting of the proprietors, held at Dunedin, 31st January, 1877.

The directors have much pleasure in submitting to the proprietors the accompanying statements of the profit and loss, and balance sheet for the half-year ending 31st December last. The net profit for the

half year, after deducting all salaries and expenses of management, rent, and other charges, and after making full provision for bad and doubtful debts, and interest accrued on deposits, amounts to £10,264. 16s. 5d., to which add balance of profit and loss account, carried over from 30th June last, £3,651. 3s., making a total available for division of £13,915. 19s. 5d., as may be resolved on by the meeting. The directors recommend that it shall be appropriated as follows:—Increase the reserve fund (which will then be £10,000) £1,738; payment of a dividend at the rate of 6 per cent. per annum, on the paid up capital of the bank, on 31st December, \$9,744. 7s. 2d.—£11,512. 7s. 2d., the balance of £2,403. 12s. 3d. to be carried forward to profit and loss—new account, for the current half-year. Upon the foregoing appropriation being confirmed by the proprietors, the dividend will be payable at head office, on and after Wednesday, 7th February, and at branches as soon as the dividend warrants reach them from Dunedin—of which due notice will be given by advertisement. The business of the bank continues to increase and improve at head office and branches: In September last a branch was opened at Lawrence, where the progress already made quite meets the expectations of the directors. The Honourable Donald Reid, M.H.R., retires by ballot, in accordance with the deed of settlement, and is not eligible for re-election. You will therefore be called upon to elect a director in his stead. The Honourable Mathew Holmes, M.L.C., and the Honourable William Hunter Reynolds, M.H.R., are the candidates for the vacant seat. The auditors retire from office at the present meeting, only one of whom (Mr. Edmund Smith) is eligible for re-election.

Balance-sheet as at 31st December, 1876, including London Office at 30th September, 1876.

<i>Dr.</i>							
Capital paid up to date	..	..	..	..	..	..	£325,945 6 0
Notes in circulation	..	..	..	..	..	..	62,629 10 0
Bills payable and other liabilities	..	..	..	..	..	..	169,120 12 4
Deposits	..	..	..	..	..	..	413,021 12 9
Balances due to other banks	..	..	..	..	..	..	11,071 9 8
Reserve fund	..	..	..	..	..	..	8,262 0 0
Profit and loss	..	..	..	..	..	..	13,915 19 5
							<u>£943,966 10 11</u>
<i>Cr.</i>							
Coin and cash balances	..	..	..	..	..	..	£114,607 13 10
Bullion on hand and in transitu	..	..	..	..	..	..	13,806 13 4
Notes of and balances due by other banks	..	..	..	..	..	..	7,121 12 8
Landed property and bank premises	..	..	..	..	..	..	11,976 18 7
Bank furniture and stationery	..	..	..	..	..	..	6,204 19 2
Bills discounted, bills receivable, and all other debts due to the bank	..	..	..	..	..	..	790,248 13 4
							<u>£943,966 10 11</u>

<i>Dr.</i>							
<i>Profit and Loss Account.</i>							
Transferred to reserve fund account, in accordance with resolution of proprietors at half-yearly meeting on 26th July, 1876	..	..	..	..	..	..	£6,433 0 0
Charges for the half-year, including rent, taxes, salaries, remuneration to directors and auditors, and all other expenses at head office and 13 branches	..	..	..	..	..	..	13,397 3 2
Balance	..	..	..	..	..	..	13,915 19 5
							<u>£33,746 2 7</u>

<i>Cr.</i>		
Balance profit and loss at 30th June, 1876	£10,084	3 0
Gross profit for half-year (after making provision for bad and doubtful debts, and interest paid and accrued on fixed deposits)	23,661	19 7
	<u>£33,746</u>	<u>2 7</u>

Reserve Fund Account.

<i>Dr.</i>		
Balance	£8,262	0 0
	<u>£8,262</u>	<u>0 0</u>

<i>Cr.</i>		
Balance at 30th June, 1876	£1,067	0 0
Transferred from profit and loss, as above	6,433	0 0
Amount paid on shares forfeited during the past half-year ..	762	0 0
	<u>£8,262</u>	<u>0 0</u>

Report of the Proceedings.

At the half-yearly meeting of the proprietors, held at the Temperance Hall, Moray-place, Dunedin, the 31st January, 1877, it was resolved, on the motion of Mr. Strode, seconded by Mr. J. L. Butterworth, that Mr. Rattray, director, be appointed chairman.

The advertisement calling the meeting was, at the request of the chairman, read by the general manager, Mr. Cowie, as were also the minutes of the last general meeting, held on 26th July last, the latter being duly confirmed.

The directors' report was afterwards read, the balance-sheet, which had been previously published in the daily newspapers, being taken by the meeting as read, and, on the motion of the chairman, seconded by the Honourable Mathew Holmes, were unanimously adopted.

The meeting then proceeded to the election of auditors for the ensuing year. Mr. J. Edmund Smith, being proposed by Mr. A. Hill Jack, seconded by Mr. Thos. Moodie, and Mr. Keith Ramsay, proposed by Mr. R. Wilson, seconded by Mr. T. M. Wilkinson, were declared duly elected.

The election of a director, in the room of the Honourable Donald Reid, balloted out, and who is not eligible for re-election, was thereafter proceeded with, the auditors, Messrs. Smith and Ramsay, being, on the motion of Captain Baldwin, seconded by Mr. David Ross, appointed scrutineers of the voting for Messrs. Holmes and Reynolds, the only candidates, the result of which they afterwards declared to be, that the Honourable William H. Reynolds was duly elected.

A vote of thanks to the directors and officers of the bank, proposed by Mr. John Cargill, and seconded by Mr. F. R. Chapman, was carried unanimously.

The draft minutes having been read and approved, the meeting closed.

J. RATTRAY, Chairman.

NOTE.—In the report of the previous half-yearly meeting of this bank, given in our last October number, the amount of preliminary expenses should have been printed £6,228. 15s. 8d., instead of £62,228. 15s. 8d.

THE CREDIT FONCIER OF MAURITIUS, LIMITED.

REPORT presented to the thirteenth ordinary general meeting of shareholders, held at London, 27th March, 1877.

1. The directors, in submitting their thirteenth annual report and balance-sheet, congratulate the shareholders on the steadily increasing prosperity of the

company, as shown by the result of its operations up to the close of the last year. 2. The great feature of the past year has been the completion of the debenture capital to the sum of £500,000, being the full sum authorised by the Articles of Association. An inspection of the second column of the annexed tabular statement will show how rapidly the issue of our debentures has increased of late years, as the secure and profitable nature of this investment has become better known to the public. 3. The amount invested in mortgages at the end of the year 1876 was £568,413. 13s. 3d., against £526,334. 11s. 10d. so invested at the end of the year 1875, which is secured upon landed property, valued in the aggregate at upwards of £1,385,603. This was exclusive of the value of properties held by the company, and of £13,900. 2s. 6d. in the hands of the local board available for further investments. 4. The net profit of the year amounts to £26,057. 3s. 8d., which, with the small balance brought forward from the previous year, gives an available surplus of £26,203. 3s. for disposal. Out of this surplus it is proposed now to pay a dividend of 17s. 6d. per share, which, with the interim dividend, paid in September, will give a dividend for the year 1876 at the rate of 15 per cent. 5. A sum of £1,508. 18s. 5d. has been written off under the head of "properties held by the company," which now consist of three estates. For one of these a price has been offered, which the local board has been authorised to accept, and the balance that will still be due upon that estate has been treated as a loss upon a closed account. A few other comparatively small items have been similarly written off. 6. It will be observed from the balance-sheet that this head of account has been increased by the falling in of a new property, "Espérance," during the course of the year 1876, so that there will still be two properties held by the company after the sale of the one last alluded to. The amount that will remain under this head of account is the precise sum at which the remaining properties came into our possession. 7. The net profit derived from working these two properties in this last season has not been unsatisfactory. "Espérance" has paid 16½ per cent., which is more than the profit it would have afforded under mortgage, and "Union" which in the previous year, owing to the extraordinary drought, caused a loss of £4,600 13s. 9d., afforded a net profit of £1,480. 14s. 10d. It may reasonably be expected that this result will much facilitate an early sale of these properties. 8. In former balance-sheets, any net profit obtained from properties held by the "company," was included with the item showing the interest on Mauritius Investments, so that the shareholders were not informed as to the result of the working of such properties, whether for profit or loss. This result is shown distinctly in the balance sheet and the profit and loss account now presented, and in the opinion of the board should always be shown hereafter, when any such head of account exists. 9. It will be observed that the directors have opened a new subdivision, called "exchange account," under the head of reserved fund, to which they have credited £7,000, whilst they have credited to the reserved fund, as previously existing, a sum of £2,500, thus raising that fund to £34,395. 14s. 9d. This last amount will remain invested in independent securities, convertible at any moment, as explained in last year's report, and earning at present about 5 per cent. on an average. The exchange fund reserve they propose to employ in the ordinary business of the company, in which, until required for use, it will be earning something more than 10 per cent. Such a reserve it is essentially necessary to constitute in order to protect the invested capital of the company from the loss which otherwise it would incur in consequence of the excessive fall in the rate of exchange which has already taken place, and which to a greater or lesser extent must be considered as permanent, in consequence of the change of legal tender in the Colony from sterling money to rupees, at a false rate of conversion, without protection to pre-existing contracts. When it shall become necessary to make annual remittances from the Colony to this country, to provide for the annual home expenditure, the annual loss on such remittances will have to be made good from each year's income. But, besides such losses, the depreciation of capital must be provided against, and it is for this purpose eventually that it has become necessary to the stability of the company to make now separate provision by the institution

of an exchange reserve. 10. It having been reported to the London Board that investments of quite the most desirable character to the extent of fully £100,000 were still available in the island, the directors have, in virtue of the power accorded to them by Article 36 of the Articles of Association, made a new issue of 2,000 shares. These new shares have been made available to all existing shareholders desirous of accepting them, in due proportion, at par. This new issue will enable the directors to place at the disposal of the local board the funds necessary to undertake such new business as may be in all respects desirable. 11. By clause 75 of the Articles of Association, the retiring director is Dr. Clerihew, who, being eligible, offers himself for re-election. 12. Auditors will have to be appointed by the shareholders for the coming year, and their remuneration for the present audit fixed. They have been previously allowed fifty guineas. 13. After the business to be transacted at the ordinary general meeting, an extraordinary general meeting will be held, at which resolutions relative to amendments in some of the clauses of the Articles of Association, will be submitted to the shareholders for their approval.

Balance-sheet, 31st December, 1876.

CAPITAL AND LIABILITIES.

<i>Dr.</i>			
Share capital, amount authorised 10,000 shares, £50 each	£500,000	0	0
Shares issued 10,000 £10 called up	100,000	0	0
Liabilities—debenture capital, £500,000; sundry accounts, £12,690. 7s. 4d.	512,690	7	4
Total capital and liabilities	612,690	7	4
Reserved fund—amount at close of 1875, £26,902. 1s.; sum carried from profit and loss, 1875, £3,500; interest accrued in 1876, £1,493. 13s. 9d.	31,895	14	9
Profit and loss account	26,203	3	0
	£670,789	5	1

PROPERTY AND ASSETS.

<i>Cr.</i>			
Investments—mortgages in Mauritius on which interest is accruing, £568,413. 13s. 3d.; properties held by the company, amount at close of 1875, £18,677. 15s. 9d.; "Espérance" estate taken over in 1876, £13,494. 13s. 11d.	600,586	2	11
Investments on account of reserved fund, £31,198. 0s. 3d.; cash at bankers on account of ditto, £697. 14s. 6d.	31,895	14	9
Cash at bankers and in hand—London, £2,644. 10s. 4d.; Mauritius, £13,900. 2s. 6d.	16,544	12	10
Sundry assets—London, £877. 8s. 8d.; Mauritius, £8,246. 15s. 11d.	7,124	4	7
Office furniture—London and Mauritius..	150	0	0
Total property and assets	656,300	15	1
Debenture discount and charges, £10,145. 7s. 8d.; less amount written off, £1,906. 17s. 8d.	8,238	10	0
Interim dividend account	6,250	0	0
	670,789	5	1

Profit and Loss Account, from 1st January to 31st December, 1876.

<i>Dr.</i>			
Expenditure, as under—			
Current expenses, London, £3,110. 3s.; Mauritius, £2,836. 12s.	£5,946	16	0

Interest on debentures and loans, £27,612. 15s. 10d.; debenture discount and charges, sinking fund account, amounts written off, £1,906. 17s. 8d.	29,519	13	6
Income tax	112	8	6
Proportion of balance of working account of Union estate of 1875, carried forward last year, now written off	1,533	11	3
Loss on produce on hand in December, 1875, and sundry charges on properties held by the company	779	2	10
Legal expenses in respect of appeal to Privy Council	548	4	8
Balance carried down	26,057	3	8
	<u>£64,496</u>	<u>19</u>	<u>4</u>
Interim dividend of 12s. 6d. per share in September	6,250	0	0
Amount written off properties held by the company, reducing this account from £32,172. 9s. 8d. to £30,663. 11s. 3d.	1,508	18	5
Reserved fund (making a total of £34,395. 14s. 9d.)	2,500	0	0
Reserved fund exchange account	7,000	0	0
Proposed dividend of 17s. 6d. per share, making 15 per cent. for the year	8,750	0	0
Balance carried forward to new account	194	4	7
	<u>£26,203</u>	<u>3</u>	<u>0</u>
Cr.			
Income, as under —			
Mauritius—Interest, £49,854. 9s.; net profit on working properties held by the company, £3,752. 3s. 11d.; management fees, £7,455. 16s. 5d.; commission on new loans, £1,775; exchange—profit on bills drawn from Mauritius, £1,657. 10s.	£64,494	19	4
London—Transfer fees	2	0	0
	<u>£64,496</u>	<u>19</u>	<u>4</u>
Balance brought down, net profit, 1876	26,057	3	8
„ carried from 1875	145	19	4
	<u>£26,203</u>	<u>3</u>	<u>0</u>

EXCHANGE AND DISCOUNT BANK, LIMITED, (LEEDS).

REPORT of the directors to the shareholders, at the twenty-first ordinary general meeting, held the 16th January, 1877.

In submitting the twenty-first report to the shareholders, your directors have to state that the net profit made by the bank for the six months ending 30th December, 1876, amounts to £9,246. 10s. 11d., and they recommend that a dividend at the rate of 12½ per cent. per annum, free of income-tax, be declared for the past half-year, which will absorb £6,250; and that £2,000 be placed to the credit of the reserve, thereby increasing it to £52,000; £500 to the fund for the purpose of equalising dividends, thus increasing it to £1,000; and the residue of profit, £496. 10s. 11d., to credit of the contingent fund, making the same £851. 2s. 10d. The Leeds office has to write off as bad debts for the half-year, £44. 6s. 10d.; and the Bradford branch, nil.

A douceur of 10 per cent. upon their salaries has been paid to each of the clerks. The bank consists of nearly 340 partners, whose names are registered at the Stamp Office. Mr. Emanuel Bradley and Mr. David Little retire from the board by rotation, and being eligible, offer themselves for re-election.

Exchange and Discount Bank.

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BRADFORD BRANCH.

General Balance, 30th December, 1876.

<i>Dr.</i>									
Bills and cash in hand at call, and country cheques in transit ..	£31,693	8	1						
Current accounts	33,699	15	6						
Trade expenses, salaries, &c.	639	6	11						
Interest paid	1,962	13	7						
Commission paid London and Westminster Bank, Irish and Scotch banks, &c.	144	4	2						
Duty on drafts	26	5	0						
Rates and taxes	3	10	8						
Rebate on bills	92	8	2						
	£68,261	12	1						

<i>Cr.</i>									
Deposit accounts	£11,164	9	1						
Current accounts	21,641	6	9						
Customers' deposited bills left for discount	8,900	1	8						
Bills and cheques left for collection, &c.	158	7	0						
Drafts in circulation	20,757	8	6						
Rebate on drafts	9	12	6						
Interest received	3,971	7	8						
Commission received	1,676	3	3						
Balance of undue interest account	82	15	8						
	£68,261	12	1						

Profit and Loss Account.

<i>Dr.</i>									
Trade expenses, salaries, &c.	£639	6	11						
Interest paid	1,962	13	7						
Commission paid	144	4	2						
Draft duty	26	5	0						
Rates and taxes	3	10	8						
Rebate on bills	92	8	2						
Balance to head office, profit and loss account	2,812	15	2						
	£5,681	3	8						

<i>Cr.</i>									
Rebate on undue drafts	£9	12	6						
Interest received	3,971	7	8						
Commission received	1,676	3	3						
Sundry items	24	0	3						
	£5,681	3	8						

LEEDS.

General Balance, 30th December, 1876.

<i>Dr.</i>									
Bills and cash in hand and at call, and country cheques in transit	£182,493	18	3						
Current accounts	170,853	9	9						
Rents (bank chambers, &c.), due 30th December, 1876	171	7	6						
Trade expenses, salaries, &c.	2,869	13	2						
Rates and taxes	43	2	10						
Rebate on bills discounted not yet due at 5 per cent.	873	13	5						
Bank premises and chambers, Leeds	10,000	0	0						

Bank premises at Bradford	7,264	11	0
Purchase of business—			
J. J. Cousins' share	16,666	13	4
H. Allen's share	8,333	6	8
Interest paid	4,620	5	6
Commission paid London and Westminster Bank, Irish and			
Scotch banks, &c.	453	10	6
Duty on drafts	71	4	6

£404,719 16 5

Cr.

Paid on shares	£100,000	0	0
Deposit accounts	79,279	9	4
Current accounts	79,232	18	2
Customers' deposited bills left for discount	34,074	6	4
Reserve fund: balance from 30th June, 1876	50,000	0	0
Bills and cheques left for collection, &c.	3,549	4	2
Balance of undue interest	857	12	2
Drafts in circulation	41,483	15	2
Rents	312	0	0
Transfer fees	2	12	6
Rebate on drafts	16	1	3
Interest received	11,488	15	7
Commission received	3,568	9	10
Fund for equalising dividends	500	0	0
Contingent fund	354	11	11

£404,719 16 5

*Dr.**Bills of Exchange Account.*

Bills under discount and deposited with the bank for discount ..	£414,989	11	6
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£414,989 11 6

Cr.

By bills re-discounted	£301,508	0	3
,, not re-discounted	113,481	11	3

£414,989 11 6

*Dr.**Profit and Loss Account.*

Trade expenses, salaries, postage, &c.	£2,869	13	2
Rates and taxes	48	2	10
Rebate on undue bills at 5 per cent.	873	13	5
Interest paid	4,620	5	6
Commission paid London and Westminster Bank, and Irish and			
Scotch banks	453	10	6
Draft duty	71	4	6
Bad and doubtful debts	44	6	10
Sundry items	9	3	5
Balance down	9,246	10	11

£18,236 11 1

Cr.

Rents	£312	0	0
Transfer fees	2	12	6
Rebate on undue drafts	16	1	3
Interest received	11,488	15	7

Exchange and Discount Bank.

403

Commission received	3,568	9	10
Sundry items	35	15	9
Balance of Bradford branch profit and loss account	2,812	15	2

£18,236 11 1

Dr.

Dividend at 12½ per cent.	£8,250	0	0
Reserve fund	2,000	0	0
Fund for equalising dividends	500	0	0
Contingent fund	496	10	11

£9,246 10 11

Cr.

Balance being net profit	£9,246	10	11
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£9,246 10 11

Reserve Fund.

Dr.

Balance carried down	£52,000	0	0
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£52,000 0 0

Cr.

Balance, 30th June, 1876	£50,000	0	0
Profit and loss, 30th December, 1876	2,000	0	0

£52,000 0 0

By balance	£52,000	0	0
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Fund for equalising Dividends.

Dr.

Balance carried down	£1,000	0	0
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£1,000 0 0

Cr.

Balance from 30th June, 1876	£500	0	0
Profit and loss account, 30th December, 1876	500	0	0

£1,000 0 0

By balance	£1,000	0	0
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Contingent Fund.

Dr.

Balance carried down	£851	2	10
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£851 2 10

Cr.

Balance from 30th June, 1876	£354	11	11
Profit and loss account, 30th December, 1876	496	10	11

£851 2 10

By balance	£851	2	10
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HONGKONG AND SHANGHAI BANKING CORPORATION.

TWENTY-THIRD report of the Court of Directors to the ordinary yearly general meeting of shareholders, held at Hongkong, 15th February, 1877.

"The directors have now to submit to you a general statement of the affairs of the bank, and balance-sheet for the half-year ending 30th December last. The net profits for that period, including \$38,085.43 brought forward from last account, after paying all charges, deducting interest paid and due, making provisions for bad and doubtful accounts, and for difference in exchange between the rate at which the dividend is declared and the current rate of the day, amount to \$502,802.72, of which, after taking out rebate on bills not yet due, and remuneration to directors, there remains for appropriation \$488,824.91. From this sum, the directors recommend the payment of a dividend of one pound sterling per share, which will absorb \$177,777.78. The directors recommend placing \$300,000 to credit of reserve fund, which will then stand at half a million dollars, and carrying forward the balance, viz., \$11,047.13, to credit of new profit and loss account. The directors have to renew their congratulations on the prosperous condition of the bank. Mr. J. F. Cordes resigned his seat at the board on leaving the colony, and Mr. Edward Tobin has been appointed in his stead: the Honourable William Keswick has also joined the board. In conformity with the provisions of the deed of settlement, two members of the court, Messrs. H. Hoppius and F. D. Sassoon, retire from the direction, but they are eligible for re-election, and offer themselves accordingly. Mr. Heinrich Hoppius has been appointed chairman of the corporation for 1877, *vice* Mr. E. R. Belilios, whose term of office now expires, and Mr. Frederick David Sassoon has been elected deputy chairman. The accounts have been audited by the Honourable Phineas Ryrie and Mr. H. B. Gibb, and the directors have pleasure in recommending the election of these gentlemen as auditors for the year 1877. Mr. James Greig has resigned the post of chief manager, and Mr. Thomas Jackson, who has been acting as chief manager during the year, has been appointed to that post.

Abstract of Assets and Liabilities 30th December, 1876.

Dr.

ASSETS.

Cash and bullion	\$4,447,118.26
Government securities	931,408.14
Bills discounted, loans and credits.. .. .	8,666,569.85
Exchange remittances	28,921,124.48
Bank premises.. .. .	217,792.44
Dead stock	104,007.06

\$43,288,020.22

LIABILITIES.

Cr.

Paid-up capital	\$5,000,000.00
Reserve fund, \$200,000.00 ; marine insurance account, \$72,022.03	272,022.03
Notes in circulation, \$1,311,063.67 ; deposits, \$11,761,450.96	13,072,514.63
Exchange acceptances	24,440,680.84
Profit and loss account	502,802.72

\$43,288,020.22

Profit and Loss Account, 30th December, 1876.

Dr.

Amounts written off; remuneration to directors, \$10,000.00; rebate on bills not due, \$3,977.81	\$13,977.81
Dividend account; £1 per share on 40,000 shares—£40,000 @ 4s. 6d.	177,777.78

Reserve fund	300,000.00
Balance carried forward to next half-year	11,047.13
	<u>\$502,802.72</u>

Cr.

Balance of undivided profits, 30th June, 1876	\$38,085.43
Amount of net profits, for the six months ending 30th December, 1876, after deducting all expenses and interest paid and due ..	464,717.29
	<u>\$502,802.72</u>

RESERVE FUND.

Dr.

Balance on 30th December, 1876	\$500,000.00
	<u>\$500,000.00</u>

Cr.

Balance on 30th June, 1876	\$200,000.00
Amount from profit and loss account	300,000.00
	<u>\$500,000.00</u>

LONDON AND HANSEATIC BANK, LIMITED.

Report of the directors presented at the fifth ordinary general meeting of the shareholders, held at London on the 22nd February.

The directors have the pleasure of submitting to the shareholders the balance sheet to the 31st December, 1876. After providing for bad and doubtful debts and deducting expenses, income tax, &c., the net profits of the year amount to £23,031. 10s. 7d., of which £5,827. 10s. were absorbed by the payment on the 1st July last of an interim dividend of 3s. 6d. per share, leaving a balance of £17,204. 0s. 7d. The directors recommend the payment of a dividend for the second half-year at the rate of 8 per cent. per annum, or 5s. 6d. per share, free of income-tax, making, with the interim dividend, 9s. per share, or 6½ per cent. per annum. The directors propose to place the sum of £6,956. 2s. 10d. to the reserve fund, increasing the same to £27,000, and to carry forward the balance of £1,090. 7s. 9d. The directors regret to announce the resignation of Egmont Bieber, Esq., as a member of the board. In accordance with the articles of association, two of the directors, Sam Mendel, Esq., and Augustus Wattenbach, Esq., retire by rotation, but, being eligible, offer themselves for re-election. The auditors, John Young, Esq. (of the firm of Messrs. Turquand, Youngs and Co.), and James Heslop Powell, Esq., retire from office, but offer themselves for re-election.

General Balance Sheet, 31st December, 1876.

Dr.

Capital—33,300 shares at £20 each £666,000; less uncalled	
\$432,900	\$233,100 0 0
Reserve fund	20,043 17 2
Bills payable, and creditors on current and deposit accounts ..	1,433,146 15 9
Rebate of interest on bills not yet due	828 13 8
Balance of profit and loss account	17,204 0 7
	<u>£1,704,323 7 2</u>

Cr.

Cash in hand, at bankers, and at short notice	\$111,854 12 7
Bills receivable	285,337 11 8

Investments (Government and other securities)	..	..	30,961	8	9
Loans upon securities and current accounts	..	..	1,275,629	14	2
Office furniture	..	..	540	0	0
			£1,704,323	7	2

Profit and Loss Account, 31st December, 1876.

<i>Dr.</i>					
Current expenses, directors' remuneration, income-tax, rent, depreciation of furniture, &c.	..	..	..	..	£9,939 11 10
Interim dividend paid on 1st July, 1876..	..	..	..	..	5,827 10 0
Balance transferred to general balance sheet	..	..	..	..	17,204 0 7
			£32,971	2	5
<i>Cr.</i>					
Profits	..	..	..	..	£32,971 2 5
			£32,971	2	5

LONDON AND SOUTH AFRICAN BANK.

An extraordinary general meeting of the shareholders was held on the 27th of March, at the City Terminus Hotel. Major-General Tremenheere, the chairman, presided, and referred to the appointment at the last half-yearly meeting of a joint committee of shareholders and directors to investigate the affairs of the bank. On the 10th of November the committee decided on its report, and recommended that the bank should be reconstructed, that the whole of the property and the assets of the bank, together with all its liabilities, should be transferred to a new bank, and that the consideration for these assets to be so transferred should be £200,000. On the 11th of November the report was approved, and at an adjourned meeting held on that date a resolution was passed unanimously authorizing the directors to call the present extraordinary meeting to authorize the proposed reconstruction of the bank, and to take all such other steps as might be necessary for carrying the recommendations of the committee into effect. The directors were also instructed to register the new bank, and the articles of association were now on the table. By the untiring and judicious exertions of Mr. Nichols the heavy advances made to a single firm at Port Elizabeth were by the 31st of October reduced to £187,000, and this claim had been settled by the receipt by the bank of acceptances on the London firm for £125,000, payable in equal quarterly instalments over a period of three years, and bearing interest at the rate of 7 per cent. If the bills they had parted with should realize over £125,000, the bank would realize half the surplus. They now knew what their real position was. In specie, government securities, premises, promissory notes, and good bills, after making every necessary allowance for depreciation and loss, they had, over and above their liabilities, an estimated capital of £325,000, a large portion of which, however, would not be realisable for some years. This represented a probable loss of £60,000 of the bank's capital. He then urged the advantages of reconstructing the bank, by which, he said, the realization of dividends would in all probability be accomplished during the ensuing year. He then briefly referred to negotiations which had been going on for the purchase of the bank by another institution, and said that within the last few days new conditions were sought to be imposed, and the negotiations were brought to an end. By the reconstruction, the business of the bank would not be suspended for a single day, and the valuable connexion which it had acquired would be preserved to the shareholders who might join the new bank. In reply to questions, the chairman said the reconstructed bank would credit the new shares with £10, and it was fully intended that £2. 10s. per share would be

added. Resolutions approving the engrossment of an agreement intended to bear date the 28th of March, 1877, and to be made between the company and the London Bank of South Africa (Limited), and for otherwise effecting the reconstruction, were then passed, and the proceedings terminated with a vote of thanks to the chairman and directors.

MERCHANT BANKING COMPANY OF LONDON, LIMITED.

REPORT of the directors presented to the shareholders at their fourteenth ordinary general meeting held the 8th of March, 1877:—

The directors have to report that, after providing for bad and doubtful debts, the profits, including the sum of £9,761. 0s. 1d., carried forward from the 31st December, 1875, amount to £63,646. 0s. 8d. This amount the directors appropriate as follows, viz.—

Current expenses	£11,022	13	0
Directors' remuneration, auditors' fees, and income tax ..	3,949	8	9
Rebate on bills not due	2,056	13	1
Dividends, viz.—			
Dividend 30th June at 8 per cent. per annum..	£15,000	0	0
Dividend now declared at 12 per cent. per annum			
(making 10 per cent. for the year)	22,500	0	0
			<u>37,500 0 0</u>
Balance carried forward	9,117	5	10
			<u>£63,646 0 8</u>

The directors who retire by rotation are Augustus Wattenbach, Esq., and Frederick Youle, Esq., who, being eligible, offer themselves for re-election. James Lyall, Esq., and James Murray Wilson, Esq., the retiring auditors, being eligible, offer themselves for re-election.

Balances-sheet, 31st December, 1876.

<i>Dr.</i>			
Capital paid up, viz., £25 per share upon 15,000 shares ..	£375,000	0	0
Acceptances against credits and securities, and amounts due to customers on current and deposit accounts	2,378,311	19	4
Reserve fund	100,000	0	0
Balance transferred to profit and loss account	63,646	0	8
			<u>£2,915,958 0 0</u>
<i>Cr.</i>			
Cash in hand, at bankers, and at call	£306,498	3	3
Bills receivable, loans, securities, &c.	2,590,459	16	9
Building and premises, 112, Cannon Street	20,000	0	0
			<u>£2,916,958 0 0</u>

Profit and Loss Account for the year ending 31st December, 1876.

<i>Dr.</i>			
Current expenses	£11,022	13	0
Directors' remuneration, auditors' fees, and income tax ..	3,949	8	9
Rebate of interest on bills discounted and not yet due..	2,056	13	1
Dividends, &c.:—Dividend to 30th June, at 8 per cent. per annum, £15,000; dividend now declared at 12 per cent. per annum (making 10 per cent. for the year), £22,500 ..	37,500	0	0
Balance carried forward	9,117	5	10
			<u>£63,646 0 8</u>

Cr.

Balance brought down, viz.:—Undivided profits in 1875, £9,761. 0s. 1d.; profits in 1876, after providing for bad and doubtful debts, £53,885. 0s. 7d...

£63,646 0 8

£63,646 0 8

NATIONAL BANK OF INDIA, LIMITED.

NINETEENTH report by the directors, at the ordinary general meeting of proprietors held at London, 23rd April, 1877.

The directors beg to submit to the shareholders the general balance sheet and profit and loss account of the bank for the year ended 31st December last, duly audited. The net profits for the year amount to £21,616. 4s. 5d.; which with the balance brought forward from the previous year, £8,986. 15s. 6d., makes a total of £30,602. 19s. 11d.; an *ad interim* dividend was paid on 18th September last at the rate of 3 per cent. free of income-tax for the half-year ending 30th June, amounting to £13,957. 10s.; it is now proposed to appropriate, £13,957. 10s., in payment of a like dividend of 3 per cent. free of income-tax, making 6 per cent. for the year and to carry forward to next account, £2,687. 19s. 11d., total, £30,602. 19s. 11d. The directors take this opportunity of informing the shareholders that in order to meet the necessity that has arisen for increased accommodation for the transaction of the bank's business, they have secured very eligible premises in Threadneedle Street, corner of Bishopsgate Street, into which they expect to remove early next month—of which, however, due notice will be given. Mr. Edmund Walter Wingrove, Mr. Richard Pryce Harrison, C.S.I., and Mr. Herbert Knowles retire by rotation from the direction on this occasion, but being eligible offer themselves for re-election. It will be necessary to appoint auditors for the ensuing year. The retiring auditors, Messrs. Charles Northcote Cooke, and Francis Cooper offer themselves for re-election.

General Balance Sheet, for the Year ended 31st December, 1876.

LIABILITIES.

Dr.

Capital, consisting of 37,320 shares of £25 each, with £12. 10s.

paid up, £466,500; less 100 shares of £25 each, originally

subscribed for, but not taken up, £1,250

£465,250 0 0

Reserve fund 15,000 0 0

Amount due on current and fixed deposit and other accounts .. 1,519,713 5 0

Bills payable 946,270 11 1

Profit and loss account, as under 16,645 9 11

£2,962,879 6 0

Liability on bills receivable, rediscounted £1,595,851. 8s. 8d., of which, up to this date, £1,024,830. 9s. 10d. have run off.

ASSETS.

Cr.

Cash on hand and at bankers, £67,335. 12s. 7d.; bullion,

£330,827. 6s. 7d.; Government securities, £228,768. 10s...

£626,931 9 2

House property, furniture, and stamps 50,949 12 2

Bills of exchange 1,718,875 2 8

Loans on Government and other securities 566,123 2 0

£2,962,879 6 0

*Profit and Loss Account, for the Year ended 31st December, 1876.**Dr.*

April 22, 1876, dividend at the rate of 5 per cent. per annum for the half-year ended 31st December, 1875	£11,631	5	0
September 18, 1876, <i>ad interim</i> dividend at the rate of 6 per cent. per annum, for the half-year ended 30th June, 1876 ..	13,957	10	0
December 31, 1876, balance	16,645	9	11
	<u>£42,234</u>	<u>4</u>	<u>11</u>

Cr.

December 31, 1875, balance	£20,618	0	6
December 31, 1876, net profits for the year ended 31st December, 1876, after defraying all current charges, rebates, and interest paid and due to constituents on current and fixed deposit accounts	21,616	4	5
	<u>£42,234</u>	<u>4</u>	<u>11</u>

THE QUEENSLAND NATIONAL BANK, LIMITED.

At the ninth half-yearly meeting of shareholders, held at Brisbane, 25th January, 1877, the Hon. F. H. Hart, M.L.C., in the chair, the following report was presented:—

The directors have the pleasure to submit to you their ninth half-yearly report, with the balance-sheet, duly certified by the auditors. The net profits for the six months which terminated on the 31st December last, after making provision for rebate on bills current, interest accrued on deposits, duty on note circulation, and bad debts, amount to £14,022. 17s. 5d.; balance from last half-year, £3,017. 9s. 11d.; total £17,040. 7s. 4d.; which the directors recommend to be appropriated as follows:—dividend, at the rate of 8 per cent. per annum, £10,000; reserve fund (making £24,000), £4,000; balance to next half-year, £3,040. 7s. 4d., total £17,040. 7s. 4d. The directors have to report that the Act to enable the bank to open and keep registers of shareholders in places beyond this colony, was passed by the Legislature without amendment, and received the Royal assent on the 4th October, 1876. During the half-year a branch has been opened at Aramac. The agency at Millchester was closed on the 30th December. You will be called upon to elect a director in the place of the Hon. F. H. Hart, M.L.C., who retires in conformity with the provisions of clauses 85 and 86 of the articles of association. Mr. Hart is eligible for election, and offers himself accordingly. No other candidate has presented himself. It will also be your duty to elect an auditor in the place of R. J. E. Warburton, Esq., who retires under the provisions of clause 135 of the articles of association, and is not eligible for re-election for the space of twelve months. The directors congratulate you on the steady progress of the bank, which, they have every reason to expect, will be satisfactorily maintained during the ensuing year.

*Balance Sheet for the half-year ending December 31st, 1876.**Dr.*

Capital paid up	£250,000	0	0
Reserve fund	20,000	0	0
Notes in circulation	95,047	10	0
Bills in circulation	3,687	19	7
Deposits	757,044	6	5
Balances due to other banks	13,804	1	5
Profit and loss	17,040	7	4
	<u>£1,156,624</u>	<u>4</u>	<u>9</u>

<i>Cr.</i>							
Coin and bullion	..	..	..	..	..	..	£209,912 9 7
Bills receivable and all other advances	..	..	..	..	..	..	819,242 18 10
Balances due by other banks	..	..	..	..	..	..	89,833 4 10
Bank premises, furniture, and stationery	..	..	..	..	..	..	38,135 11 6
							£1,156,624 4 9

Profit and Loss Account.

<i>Dr.</i>							
Expenses, head office and seventeen branches	..	..	..	..	..	..	£12,236 1 1
Balance	..	..	..	..	..	..	17,040 7 4
							£29,276 8 5

<i>Cr.</i>							
Balance from last half-year	..	..	..	..	..	..	£3,017 9 11
Gross profit (after providing for bad debts, interest accrued on deposits, duty on note circulation, and rebate on bills)	..	..	..	..	..	..	26,258 18 6
							£29,276 8 5

Reserve Fund.

<i>Dr.</i>							
Balance	..	..	..	..	..	..	£24,000 0 0
							£24,000 0 0

<i>Cr.</i>							
Balance from last half-year	..	..	..	..	..	..	£20,000 0 0
Now transferred from profit and loss account	..	..	..	..	..	..	4,000 0 0
							£24,000 0 0

The Chairman said :—" Gentlemen, I have much pleasure in moving the adoption of our ninth half-yearly report. The business of the bank shows continued progress, the deposits having increased during the past year from £557,000 to £757,000, or 36 per cent., while the bills receivable, and other advances, have gone up from £734,000 to £819,000, or 11½ per cent.; and the note circulation, from £74,000 to £95,000, being an increase of over 28½ per cent. With reference to this last item, I would draw your attention to the heavy tax on the bank's profits, occasioned by the duty on note circulation. The amount of the tax paid by this bank during the last year for the privilege of issuing notes was £2,420, or a little more than 9 per cent. on the net profits realised during the same period. In New South Wales no such extraordinary impost exists, and I wish you, gentlemen, to bear this in mind when comparing the results of our operations with those of the untaxed institutions of the parent colony. Our note circulation is still increasing and it is probable that the tax which we shall have to pay for the current year will amount to about £3,000. The coin and bullion accounts also exhibit a heavy increase, and including cash balances in other banks we have close upon £300,000 available against liabilities amounting to £896,000, of which only £370,000 constitutes a liability at call. This continued accumulation of funds must be attributed in a very great measure to the uncertainty which has prevailed for many months respecting the preservation of peace in Europe. Although the colonies of Australia have not suffered to the same extent from the paralyzing influences that have affected the trade of Great Britain, there can be no doubt that the progress of local enterprise has been somewhat checked, and we can hardly expect a revival of activity until public confidence in the maintenance of peace is restored. But the position of the

bank, under existing circumstances, cannot be otherwise than satisfactory to the shareholders. If, on the one hand, business should become brisk, and an active demand for money arise, we are prepared to take advantage of the change; and, on the other hand, should our worst forebodings be realised, and war break out in Europe, we shall enjoy a sense of security from a well-filled Treasury which will greatly lighten the anxieties of the troublous times that might then be impending. Assuming peace to be maintained, and confidence in its durability restored, I think we may congratulate ourselves on the bright prospects of the colony. Our great staple—wool—after suffering a severe but temporary depression in value, will, so far as we can see, command a good market during the coming year. The agricultural interest, after many trials, is now on a fair road to prosperity, and the prospects of our goldfields were never more promising than at the present moment. With ordinary prudence in the management of its affairs, the colony cannot fail to progress and prosper, and this bank will, I hope, gentlemen, continue to be so managed as to participate in the progress and prosperity of the colony with which its interests are so wholly identified." After touching upon some other matters connected with the affairs of the bank, the chairman said, "In concluding my term of office, which has now extended over four years and a-half, I have to thank you, gentlemen, for the support you have always given to your Board of Directors and for the confidence you have placed in us. I also deem this a fitting occasion to bear testimony to the able manner in which the affairs of the bank have been conducted under the administration of your general manager, Mr. E. R. Drury, to whose exertions, backed up by those of a zealous staff of officers, the success of the institution is in a great degree attributable. I now move the adoption of the report."

It was then moved by the Chairman, seconded by Mr. B. D. Morehead, M.L.A., and carried unanimously:—"That the report and balance-sheet be adopted." Moved by Mr. M. Ward, seconded by Mr. C. C. Carter, and carried unanimously:—"That Mr. Samuel Hodgson be elected an auditor of the bank." Moved by Mr. A. H. Palmer, M.L.A., seconded by Mr. J. D. Heal, and carried unanimously:—"That the remuneration of the auditors, for the ensuing year, be, as heretofore, £50 each." The Chairman then vacated the chair. Moved by Mr. A. H. Palmer, M.L.A., seconded by the Hon. George Thorn, M.L.A., and carried unanimously:—"That the Hon. F. H. Hart, M.L.C., be re-elected a director of the bank." Moved by Mr. J. F. Garrick, seconded by Mr. J. D. Heal and carried unanimously:—"That the thanks of this meeting be tendered to the directors, General Manager, and officers of the bank."

WESTERN BANK OF SCOTLAND.

(IN LIQUIDATION.)

IN the report of the liquidators issued for the year to the 1st of February last, all particulars of calls and payments are set forth with the utmost clearness, so that those interested in the bank, either as creditors or shareholders, can have no difficulty in tracing every penny of the money involved in the liquidation. The bank has been in process of liquidation for 19 years, and at the close of last year there was an undistributed surplus of £10,976, after paying £1,915 in the shape of expenses, including four years' liquidators' salary, inspectors' fees, and law charges for closing the liquidation. The National Bank of Scotland has taken over the remainder of the assets and liabilities, amounting to very small sums, so that the liquidators' task is at an end. After deducting an honorarium to the committee and a small sum for contingencies, enough is left of the surplus to allow a final return to the shareholders of 15s. per share. During the 19 years through which the liquidation has run liabilities to the amount of \$6,134,405 have been paid off. Calls to the amount of \$125 per share have been made on the shareholders yielding £2,054,566, of which £877,177 has since been returned. The total expenses of liquidation have amounted to \$118,797, of which £48,703 has been paid as salaries and £57,787 as law expenses. When it is considered

that the loss on the recovery of the assets of the bank has been no less than £2,826,000, it is obvious that the liquidation must have been conducted with great judgment and care. Otherwise it would have been impossible for the liquidators to have paid all expenses and also to have returned nearly two-fifths of the calls made upon the shareholders.

YORK UNION BANKING COMPANY.

Forty-third annual report of the directors to the meeting of proprietors, held 1st February, 1877.

Your directors have the pleasure of making their annual statement to the shareholders, and of reporting that, after providing for bad and doubtful debts, the profits of the bank for the past year amount to the sum of £28,805. 5s. 7d., exclusive of £2,856. 17s. 7d., interest on the guarantee fund. The usual interim dividend of 5 per cent. on £165,000, the increased capital of the company, was paid to the shareholders in August last; and your directors now declare a further dividend of 10 per cent., with a bonus of 2 per cent., making 17 per cent. for the year (free from income-tax), being equal to 20 per cent. on the former capital of £132,000, and 5 per cent. on the additional capital of £33,000, the £5 per share added last year, leaving a surplus of £555. 5s. 7d. to be carried to the guarantee fund, and raising that fund, with the interest thereon, from £66,169. 15s. 7d. to £69,581. 18s. 9d. The profits of the bank have been adversely affected by the low value of money which has prevailed during nearly the whole of the past year, but in other respects the business has been sound and satisfactory. The directors have resolved to open a branch bank at Scarborough, and have secured most eligible premises for that purpose. The necessary alterations are now being made for the commencement of business at an early period.

Resolutions passed at the meeting.—1. That the report of the directors which has now been submitted to the meeting be received and adopted, and that it be printed and circulated amongst the shareholders. 2. That Benjamin Dodsworth, Esq., and John Close, Esq., who retire by rotation, be re-elected directors of the bank. 3. That the directors be empowered to set apart, out of the profits of the company, the sum of £1,550 for their remuneration for the current year. 4. That the thanks of the meeting be presented to the chairman and directors for their valuable services during the past year. 5. That the thanks of the meeting be given to the manager and officers of the bank for the satisfactory manner in which they have discharged their duties.

EXAMINATIONS FOR APPOINTMENTS IN BANKS.

THE London and County Bank have not been slow in carrying into practice a plan of examination of candidates for appointments in their establishment, briefly referred to by the chairman at the recent meeting of the shareholders—reported in our March number. The chairman alluded in a kindly manner to what the bank was doing in the fine building they are now completing towards promoting the health and comfort of their staff of officers, whilst studying at the same time the convenience of their customers: and, in taking the step to which we now refer, they seek to raise the standard of their employes by selecting those candidates who show that they have benefited to some extent by any educational advantages they may have had, and further by encouraging such as prove themselves possessed of acquirements indicative of anything beyond ordinary

ability or perseverance. The London and County Bank led the van of the London joint-stock banks in the important matter of founding a fund of provision for their officers, which has since been elaborated into a complete scheme for pension and retirement, as noticed in detail in the last January number of this journal; they are now first, so far as we are aware, amongst the banks of the metropolis, to adopt a detailed plan for formal examination of candidates for appointments in their service. We are, of course, aware that it is the general practice with banks to require candidates to undergo some kind of educational examination, but in the case of the London and County Bank there are fixed standards of merit and the examinations are conducted at the City of London College.

The following subjects are obligatory for examination :—

Orthography,—including spelling and punctuation, as tested by dictation; English composition,—as tested by a letter or essay upon a given ordinary subject; Arithmetic,—including vulgar fractions and decimals.

The *maximum* number of marks for these subjects required to ensure the approval of the directors is 225. Whilst the *minimum* number is 115 marks.

In addition to the examination before mentioned, candidates may offer themselves for examination in any two or more of the following optional subjects :—

Algebra,—including quadratic equations; Euclid,—1st and 2nd books; French; German; Latin,—as tested by construing a moderately easy Latin author. Success in Algebra entitles the candidate to 40 marks; in each of the other subjects to 30 marks.

175 marks or upwards, 115 of which must be obtained in the obligatory examination, entitles a candidate to a special certificate of "Merit;" and 275 marks, to a special certificate of "Extra Merit." A candidate having passed the Oxford or Cambridge Junior Middle Class Examination is entitled to 225 marks without undergoing the obligatory examination. Every candidate appointed, after passing a period of three months' "probation" in the bank, will, if reported by the manager to be an "efficient and satisfactory junior clerk," be received on the permanent staff, and, if he has obtained a certificate of "Merit" from the examiner; an addition of £5 will be made to his salary more than he would otherwise have received; and he will receive an additional £10 if he has gained a certificate of "Extra Merit," or passed either of the following examinations :—viz: University of London Matriculation; Oxford or Cambridge Senior Middle Class.

Besides the encouragement thus offered to young beginners, this bank affords a wide scope for future advancement to those who seek promotion in its extended field of operations.

THE STOCKHOLM ENSKILDA BANK,

We have received the following statement which may interest our readers :—

A remarkable celebration recently took place in Stockholm when a dinner was given to Mr. A. O. Wallenberg, the founder and chairman of the Stockholm Private (Enskilda) Bank, on the occasion of the 21st anniversary of its establishment. Mr. Wallenberg is extensively known in financial circles in London, as well as in the great financial centres of the Continent. At that celebration a dinner was given him by his numerous friends in Stockholm, and at which 150 persons were present, the Governor of the capital presiding, including the Ministers of State for Finance and for the Marine, the representatives of the Royal Bank of Sweden, and of the other banking institutions in Stockholm, and the principal cities in Sweden, and many other notabilities. After the usual toasts had been given, Mr. Wallenberg made a speech, a portion of which we reproduce, which, for directness of purpose and sound sense, deserves more than the passing notice we give it, and may well be laid at heart by some of our own political economists. We may add that the "Enskilda" Bank has been a very great financial success from its beginning. After a few preliminary remarks, Mr. Wallenberg thus proceeded :—

"How can a people assure their freedom from dependence? By *industry and economy*. All over the earth on which we have our being—besides the rich gifts of nature which a beneficent Providence has placed within reach of humanity—all capital is completed labour; and completed labour is a support for the work which is yet to be done. The attempts to designate capital and labour as antagonists, when, in fact, they are destined to sustain one another, are as mischievous as they are irrational. The capital we Swedes have received as a gift is a glorious land, and a climate which does not foster indolence but stimulates to exertion. Its uncultivated soil, it is true, possesses less productivity than many other countries; but if adequate labour be expended upon it, it returns abundant harvests. Its mountains open reluctantly their treasures; but if they are explored with perseverance, and the product which is brought to light be rendered valuable by labour, the wages of toil are earned. We may esteem ourselves fortunate in being born Swedes, and be satisfied with the inheritance that has fallen to our lot. We possess glorious reminiscences, and can trust with confidence to the future. Through these reminiscences glisten the acts of our forefathers, who by bravery and wisdom secured Sweden's independence, and made the name of Sweden renowned in the annals of the world; but we should never forget the words of the Skald :—

'Boast not of honours
Won by forefathers;

Each one has only
 What is his own.
 Canst thou not carry
 Shield of the mighty ?
 'Tis not thine.'

Those words I understand thus :—Our forefathers' force-development prepared for us a home and hearth in a free land ; but it does not become us now to rest on *their* laurels ; on the contrary, it devolves upon us, as an unavoidable duty, to preserve and increase the inheritance. This can be done by industry and economy. If a man who has inherited a competence restricts himself to enjoy the revenue it contributes in listlessness, it happens—because the laws of nature prohibit quiescence—that either the inheritance diminishes in value, or the heir degenerates. In the same way it will happen to a generation, which, without exertion, will attempt to exist on the patrimony left by its progenitors. But, where much is given, much is required ; and the least that we can give in return is our labour-power. Labourers we are all. The teacher who instructs aids in developing the intellectual powers. The judge who administers justice assists in sustaining right and submission to law ; the husbandman effects products ; the merchant accomplishes the exchanges of such products ; the civilian upholds the social state ; the soldier, ready for self-sacrifice, ponders how an extensive boundary may be defended, without bearing a too heavy equipment in time of peace. All members of a community must work. Now, all workers should, from the result of their labours, reserve a surplus—a saving. Many small savings, collected through a system of banking, become a great impelling power to the execution of new works. The meaning of thrift is here laid open to the light of day. The economic explanation is for the generality nothing else than the combat with human misery, which may never be properly conquered, though it may be essentially kept in check. The root of such wretchedness cannot at once be plucked up and thrown on the fire to be for ever consumed ; but if a nation strives to achieve an increasingly improved economic condition by honest labour and discreet frugality, then the children of indigence will, in each successive generation, become reduced in number ; and to each individual, removed into a happier condition, and enabled through his own exertions to earn his livelihood and make a saving, will the struggle become less severe, and the victory less uncertain. Whatever is done to prepare opportunity for useful labour is a good deed, which will bear good fruit : but this should not be confounded with what in common parlance is termed benevolence, and which belongs to quite another category. To seek to bring about unnecessary work, for the sake of employment only, is so far dangerous since the employed soon perceives that he is not useful, and thus his confidence in his own labour is diminished. I have endeavoured in the fewest words to show what is incumbent on a people in order to secure its freedom from dependence ; and if we labour, and

manage with frugality, we shall aid our beloved country in the calm days of peace ; and for the rest—

‘ Without valour, without heart,
Is the man who is not roused
At the thought of being worthy
To defend his native land.’ ”

Communications.

To the Editor of the "*Bankers' Magazine*."

POST DATED CHEQUE.

I have been informed that, according to a recent legal decision, it is lawful to issue a post dated cheque. Can you tell me whether such is the case ; and if so, what there is to prevent such cheques taking the place of bills ?

B. B. SMITH, Manager.

[Such a cheque may be received in evidence. We refer to the decision in question in our present issue.—ED. (Law Dep.) B. M.]

RENEWAL OF GUARANTEES.

SIR,—Referring to the communications on the above, in your January Magazine, it is the custom of the bank with which I am connected to take guarantees under hand and seal, and by so doing we are informed they will stand good 20 years. If this is correct the information may be useful to some of your readers.

Yours faithfully,
COUNTRY MANAGER.

MUTILATED CHEQUES.

SIR,—I was much surprised to read your remarks upon this subject in your issue of December, 1876, in answer to J. H. B., and, from your reply to "Bank Cashier," in your issue of this month, it is evident that you still hold that a banker is bound to pay a mutilated cheque when presented ; or, as you put it, "be liable in an action for such dishonour at the suit of his customer."

As a proof of the effect of paying a mutilated cheque I cannot do better than refer you to the case reported in your issue of this month—page 318, "Guildhall."

I have myself returned many cheques during 20 years' experience in banking, both in London and in the country, with the answer "mutilated cheque, explanation required." This course I know is adopted by more than one leading bank in London ; and it appears to me to be the only course that any prudent man can adopt.

T. H. R.

[The course you adopt is no doubt usual and, speaking generally, a proper one, but in the particular case suggested in the original query we still think an action would lie. You cannot lay down a general rule as to what is and what is not a mutilated cheque, so as to relieve the banker who refuses payment.—ED. (Law Dept.) B. M.]

ENDORSEMENT OF CHEQUE.

T.J.

A cheque is drawn on a printed form as follows :—"Pay to _____ John Smith," the words "the order of" being written through and the alteration initialled by drawee, Thomas Jones, as I have shown.

Would a banker be justified in paying such a cheque without endorsement, and if not, what reason should he give for returning it?

By kindly answering these queries in your next you would oblige,

AN OLD SUBSCRIBER.

[We should think the Banker would not pay the cheque without being satisfied of the identity of the Payee, and having his indorsement on the cheque.—Ed, B.M.]

STAMP LAWS.

SIR,—May I request the favour of your stating whether I am correct in the following, as applicable to cheques.

SOCIETIES AND THEIR CHEQUES UNDER THE STAMP LAWS.

Friendly Societies are exempt from the stamp duty. See 10 Geo. 4, c. 56, and 18 & 19 Vict., c. 63.

Industrial and Provident Societies are also exempt. See 25 & 26 Vict., c. 87, and 30 & 31 Vict., c. 117, but these societies registered under 15 & 16 Vict., c. 31, "An Act to Legalize the Formation of Industrial and Provident Societies," do not appear to be exempt. See section 12.

Building Societies, if established under the Friendly Societies Acts, or under the 37 & 38 Vict., c. 42, "An Act to consolidate and amend the Laws relating to Building Societies," 30th July, 1874, the last of the building society acts, are exempt, but if established under the Joint-Stock Companies Acts, or under the 6 & 7 Will. 4, c. 32, "An Act for the Regulation of Benefit Building Societies," 14th July, 1836, they are not exempt, the last above-mentioned Act giving exemption from stamp duty in respect only of the "Rules or any copy thereof," and of "any transfer of any share or shares" of such societies.

I, with many others of the profession, would also be glad to know if there is any publication giving, if that be possible, the real state of the law with regard to stamp duty exemptions in connection with societies of the above description, as the Stamp Act of 1870, though a consolidation Act, gives no information on the point, and is defective in other respects; not embracing the enactments relating to marine policies, to probates and letters of administration, nor those relating to the composition payable by bankers in the issue of unstamped bills of exchange.

With reference to the last, I may add the Scottish banks appear to have compounded under the 16 & 17 Vict., c. 63, sect. 7, by which they have secured the privilege of drawing at extended dates, paying, I suppose, an enhanced composition, whilst the English banks, or, I presume, a majority of them, compound under the 9 Geo. 4, sec. 1, which restricts the currency to seven days' sight, and twenty-one days' date, the composition, however, being only 3s. 6d. per cent. on the average amount of bills current. From the words "and all or any other banks in Scotland or elsewhere," along with the concluding part of section 7 of the above-mentioned Act of 16 & 17 Vict., c. 63, I presume the Act may be considered as extending to England and Ireland as well as to Scotland.

A BANK CASHIER.

[We do not detect any error in your statement of the law as above. Two useful books are a "Stamp Digest" (last edition), published by Vacher & Sons, Parliament Street, S.W.; and "Building Societies," by Scratchley, M.A., published by Shaw & Sons, Fetter Lane, London, E.C.]

DETAILS OF PRACTICE.

Kindly inform me if I am obliged to pay or otherwise refuse payment of a cheque drawn on one of our branches without first sending it for collection.

HEAD OFFICE CASHIER.

March 26th, 1877.

[You are not, *prima facie*, obliged to pay, at your head office, a cheque drawn on one of your branches. Your question, however, in point of practice, can be best answered in your own office.—ED. B. M.]

A BANK MANAGER.

[You are entitled to your opinions. The safe and prudent thing to do is one thing; the *legal consequences* of either doing so, or of failing to do so, are other things.—ED. (Law Dept.) B. M.]

BANKERS AND CHEQUES.

Douglas, Isle of Man,

7th March, 1877.

SIR,—I shall be greatly obliged if you will kindly favour me with your valuable opinion on the following questions in the next issue of your excellent Magazine:—

First.—Can a banker legally debit his customer with the amount of his cheque as of the date on which it was negotiated at a branch establishment, or *vice versa*? For example—A, whilst in London, draws a cheque on B, his country banker, and negotiates it through B's London agents. The cheque does not reach B, on whom it is drawn, until several days afterwards. Is B justified in charging A with the amount as of the date on which it was cashed by his agents, he (B) having been debited with the amount on that date? I should think not, seeing that a banker has the option of charging a commission on such a transaction. The point is by no means an unimportant one, especially in cases where the amounts are large.

Second.—A, whilst in Chester (for instance), negotiates a cheque through a bank in that town drawn on its head office in Manchester, which cheque on being forwarded to the head office is dishonored; and A, having been duly advised of its dishonour, refuses to pay, on the ground that the cheque was virtually paid when cashed by the Chester branch. The question I wished to ask therefore is—"Can a banker in equity recover the amount from the payee of the cheque in such a case?" I believe this point has been tried on more than one occasion in the English Courts, and that judgment has invariably been given in favour of the bankers bringing the suits. Indeed I am at a loss to see upon what reasonable grounds the payee of such a cheque could support his immunity.

I am, yours faithfully,

J. M. SUTHERLAND.

[In the second case there would be an implied contract between A and the Chester Bank, by which A would be liable to make good the amount of the cheque on the happening of the circumstances suggested by you. In the first case we concur in your view, as the transaction is between A and the London Bank.—ED. (Law Dep.) B. M.]

BANKING INSTITUTES.

DEAR SIR,—I have seen with great pleasure the question discussed as to the advisability of having a Banking Institute in London, but I take the liberty of suggesting to your readers the necessity for Banking Libraries in all banks of sufficient size to warrant the directors in providing the books. I have seen the library in the Bank of England, and I must say the collection of books is a credit to the governor and company of that bank. As a rule, clerks in banks in provincial towns are put to the desk at fourteen years and upwards, and on this account they cannot but have a very elementary knowledge of commerce and international law, either in the shape of banking or otherwise; possibly they may have been trained in every way for a commercial life, but even then, coming from school they are by no means perfect. I am of opinion if all private bankers and joint stock bank directors would look upon this as a question of remuneration to themselves, in the way of a more skilled staff, and in the shape of more intellectual force brought into their clerks' daily life and used to their advantage, then I do not think they would grudge the money; besides, the library, if even small, would be the medium of promoting a taste for good sound literature, as well as giving them a greater insight into banking detail, both provincial, London, and foreign, also a practical explanation of the theory of the exchanges, relative value of gold and silver, &c. I think directors generally ought to consider their employes as something more than mere machines, and do something for their intellectual welfare as well as financial; for instance, in large towns in bringing down lecturers to give them some idea of banking law; each large bank could amalgamate with the other banks in the town, and form a good mutual improvement association, with a good library, and make the directors of the various banks in the town, presidents and vice-presidents; also arrangements might be made in the summer for excursions, and thus be a means of socially bringing all the various members together to enjoy each other's society, and tend to create a good feeling; and I am sure if directors take an interest in anything of this kind I am of opinion their clerks would serve their employers better than before, for taking more interest in their well-being. Mr. Percy May was kind enough to bring the question of a bankers' home to your readers' notice, but I think banking libraries, life assurance funds, and improvement societies, are even of more necessity than that, because these sort of things provide for a man's well-being while living, and the other is for the benefit of his children. I think there is plenty of wealth in the banking community; and as God has been pleased to make them prosperous, I think it is only their duty to do something for those who have served them honestly and faithfully. Young bank clerks have many temptations thrown in their way, and unless they are kept from those pleasures which do not tend to elevate the mind, they cannot bring the same heartiness and desire to do their work well and please their employers, if they indulge their appetites in that which takes away their natural feelings. I am happy to say we have in the banking world some noble persons who would not grudge anything in reason if it were to do good. I have another suggestion to make, and that is the desirability of having an examination for bank clerks, on the same principle as the Cambridge junior local examination, with this exception, that the candidates besides having certificates given them, should also according to the way they pass the examination, be admitted to a society, to be called the bankers' society, which could easily be done, then they might get a diploma to constitute them a fellow such as F.B.S. I am aware the

commercial world have a society, viz., the Statistical Society. This is a matter that has engaged my attention for a long time. I am not prepared to say what such an examination should consist of, but if any of your readers will be kind enough to give me their views, I can give the matter a little more thought than I have done at present, but I think banking, commercial, and international law ought to be considered necessary. The examinations might be limited for those clerks who are under twenty-one years of age.

Your obedient servant,
G. D. LAWSON BROWN.

Sheffield, 12th February, 1877.

SIR,—Notwithstanding many suggestions and propositions for the improvement and elevation of that class which Professor Leoni Levi is pleased to call “only poor bankers’ clerks,” we still remain in the same position, and the chance of some decided improvement seems even more remote.

Might I suggest that a special department for the study of banking be organised at King’s College, at which books on the subject might be obtained on loan, all expenses being defrayed by the members. The cost of such works as Gilbart’s place them far beyond the reach of many of us. Scholarships might be added by subscriptions to be obtained for that purpose, should the movement be found to succeed.

The favour of your inserting this might resuscitate the question, and thus produce some practical results.

I am, sir, yours obediently,
BANKER’S CLERK.

MR. GOSCHEN AND THE BANK ACTS OF 1844-5.

THOUGH the call for further inquiry into the working of the Bank Acts of 1844-5 has, no doubt, everywhere latterly been gaining more attention than it used to do, still the necessary investigation might have been long delayed but for Mr. Goschen. His prompt action in reference to these Acts, however, even, though perhaps intended to bear upon them only in so far as relates to the rights or privileges which certain bankers claim under or independent of them, will now, no doubt, ensure for the *whole* subject the early and full consideration which its importance demands—the bone of contention between English and Scotch bankers included. Pending this most people will be pleased to learn that the march of the Scottish bankers upon England has been arrested, and that Scotland, having been thus brought to a standstill, may really at length have to retrace footsteps, which have never hitherto failed either in man or beast, as Sir John Lubbock shows,* to point southwards.

Meantime, it may be well to bear in mind that the interests involved in the controversy that has arisen among bankers, as to the scope and tendency of certain Acts of Parliament, are not those of bankers exclusively, and therefore that it is desirable to ascertain what they were intended to do for those who are not bankers as well as for those who are, and how they have succeeded.

* It might seem odd that Sir Robert Peel did not anticipate that the Scotch banks would open branches in England, since geologists told us that even the fossil footsteps of their extinct animals point southwards.—*Sir John Lubbock’s Speech on Mr. Goschen’s Bill.*

The great financier, at whose instance they became law, never did for a moment suppose, we feel assured, that they would continue to be upheld as they have been without modification, as if he had intended them to stand good for all time. Currency regulations that might have been suitable to the liabilities connected with trade and banking in 1844, supposing them to have been so then, could not possibly be equally applicable to the greatly enlarged proportions which these have since assumed, and could never have been so intended. The very machinery, indeed, by which since that time the whole monetary system of the country was, through the Bank of England, to be regulated, shows, that without gold reserves in sufficient accord with such augmented liabilities it could not be made to fulfil its purpose. The duty thus devolving upon the Bank of England in connection with these gold reserves still rests with them, and with them alone. It does so all the more because ever since the Bank of England note was made a legal tender in 1833, country bankers in England have not been in the way of holding gold reserves, or indeed of keeping anything more in gold and silver on hand than what was needed to pay wages, &c., as any returns from them on that head would show. Any reserves they may have, therefore, are in Bank of England notes, and as they usually keep a current account as well as a discount account with the nearest branch Bank of England, they, in that way, manage to work with a much smaller till even as respects such notes, than otherwise would be possible even in the case of non-issuing banks, as any returns from them on that head would also show.

Although the Act did not stipulate specially for gold reserves against the deposits, but only against the notes, that can hardly be held to warrant Mr. Thomson Hankey in maintaining, as he does, the very dangerous doctrine that the Bank of England is only bound to keep gold against its own liabilities. Its note being a legal tender seems to lead to a very different conclusion, however, seeing that it is on that account regarded by all other English bankers as the same as gold to them, and that they hold in consequence no gold reserves, being under no obligation to do so. The Bank of England, so long therefore as their note remains a legal tender, cannot be allowed to repudiate the responsibility that thereby attaches to them, and which was no doubt meant by the legislation of 1844 to attach to them, of holding gold, *not only against those deposits that form the reserves placed in their hands by London bankers, but against the deposits of all banks in England issuing and non-issuing.* As regards these reserves of the London bankers more particularly, however, it may be added, that all experience proves that they should all along (as was long ago suggested by the present writer) have been entered (if entered at all) in the bank's weekly statement as "bankers' gold reserves," and so held *apart* as gold to be dealt with only by the bankers to whom it belongs, as if in their own vaults. How absurd, that such reserves, amounting to 9 or 10 millions, should stand as they now do among the Bank of England's own deposits, and * so liable to be employed by them accordingly. Bankers can no more eat their cake and have it than other people.

Although the currency is in the early stages of the commerce of any country, as it was in ours, the mainstay of its banking, that has long since

* In 1844 these reserves of the London bankers, private and joint-stock, would not exceed one million. The deposits of the following London joint-stock banks at that time, viz., London and Westminster, London Joint-Stock, Union Bank of London, London and County, and National Provincial were under 10 millions, now they amount to over 110 millions,

ceased to be so here owing to the growth of the bank deposits. Yet, notwithstanding the great and growing magnitude of these, the circulation with us as respects both notes and specie remains nearly stationary for lengthened periods—the whole note circulation of the United Kingdom, indeed, being only from 6 to 7 millions more now than in 1845.

It was in 1845 ... 38 millions.

„ 1855 ... 37 „

„ 1865 ... 37 „

„ 1875-76 44, 45 „

And as regards the specie in circulation there is really no good reason for supposing it to have increased in any greater proportion than the note. Taking the gold therefore in 1844-5 as 25 millions, that now in circulation cannot be estimated to exceed 30 millions,* although it has been guessed at by some bankers lately at over 100 millions. This tendency, however, on the part of certain bankers to magnify the specie circulation is very harmless compared to that which causes some of them to view the Bank Acts in the light they do. “It is,” says an eminent practical banker, “the principle of the Act of 1844 to secure the issues and to leave banking free.” That the principle of the Act was something very different to this, however, it may be only needful to point out that its great and wise and farseeing policy in separating the issue from the banking department was not to “set banking free,” but in the interest of the public to make sure of a certain amount of bullion being safe whatever might happen, so that if even the Bank of England itself should come to a stand it would be *before* and not *after* it had been drained of all its gold, as would undoubtedly have been the case more than once since 1844 but for the Bank Acts. The difference, be it remembered, between the bank’s coming to a pause with say 20 millions of specie on hand, and an empty till, would be, to furnish the means—the only means—whereby future issues could be maintained, during any suspension of cash payments that might ensue, *at par* instead of at a *discount* of say 20 per cent. to begin with. But supposing the principle of the Act to have been as stated by the writer referred to, and that it did provide security against the note issues of bankers which amount to 44 or 45 millions, why neglect it in the case of their deposits, amounting now to near 600 millions, particularly as they are largely invested in trading and other pursuits, throughout the world, and not in home industries exclusively, like the amount of the note issues? The note issues cannot be in excess of the necessary trading wants at home. It is that alone and not the will of the banker that causes a certain portion of the notes he issues to stay out, and form part of the general circulation of the country from time to time. He may pay away his deposits to any extent by means of such issues as well as by cheque without adding to the circulation, all notes issued in excess of what is required for such business purposes being instantly returned to the issuer, as all our ablest practical bankers, including those who lately gave evidence before the Select Committee on Banks of Issue, have over and over again testified. But though the banker cannot add more to the note circulation than it needs, he has the power, as our currency laws stand, to curtail it of its just and needful proportions, and that he frequently does whenever it may be only a few millions of gold required to be exported. He adds to the evil by doubling or trebling the rate of

* We are aware that Sir Robert Peel estimated the amount in 1844 at 35 millions, and that both Mr. Tooke and Mr. Newmarch have made a similar estimate, but notwithstanding this the estimate here given can be shown to be reliable, and that the estimate of 1844 should not have exceeded 20 millions.

interest almost in a moment. If such demands for gold could have been supplied from the reserves that ought to have been in the keeping of bankers as against their deposit liabilities, no such contraction of the currency and no such rates of interest, as those that have been experienced during the last 30 years, would have been necessary or possible.

In attributing the commercial panics which had occurred from time to time previous to 1844 to over issues, and so in assigning as a reason for their fixed restriction that it would make the note circulation conform to what it would be if it were purely a specie one, Sir Robert Peel was unfortunately in error. A currency composed partly of specie and partly of paper will naturally work together, side by side, on equal terms—the paper being payable in gold on demand. To compel it to act as if it were purely metallic, however, even if that were possible, cannot be desirable, because if when gold was withdrawn from the circulation notes to an equivalent amount were also withdrawn and cancelled in deference to the theory which makes the circulation succumb to the foreign exchanges, the currency would soon disappear altogether and all the sooner, of course, if in the power of any single issuer. The notes so long as they are in the hands of responsible issuers are safe—they cannot be issued in excess of the business requirements of the public. The difference, therefore, between the maximum and minimum amount of notes in circulation would seem to be really all that requires to be protected by gold, providing the deposits were also so protected to any reasonable extent. The note circulation of the United Kingdom has only increased by 6 or 7 millions since 1844, as before noticed, and there is no reason to suppose that its increase would be in any greater ratio during the next 30 years (except under a suspension of cash payments), however much trade and population may increase during that period or whatever the number of the issuing banks may be. The number of issuers will not affect the amount in circulation, and so long as they are responsible there is no risk. Where deposits have increased so enormously, as is the case in this country, it does not seem to be expedient that the power of issue should rest in too few hands, any more than that deposits should accumulate too largely in any single joint-stock bank, through lack of other solid institutions of the same kind. In order, however, that the public should never be liable to loss through notes passing from hand to hand as money, any more than they would be from coin, it would seem to be only proper that all who claim the right of issue, as well as those who now have it, should be required to secure it by the deposit of consols.

While there is connected with our currency much room for improvement in certain respects, it must never be forgotten that its principle is thoroughly sound and admits of no alteration in that direction—not the slightest. Some able and spirited writers who took part in a memorable controversy in the *Times* a few years ago about the sovereign, thought otherwise, however. To them the question, "What is a pound?" was not properly answered in 1844. The pound in their eyes still consists, or might consist, of something which people might agree to call a pound instead of that certain quantity of fine gold which makes it what it is because it is worth so much fine silver. They went on very naturally to maintain, therefore, that if 2*d.* were taken from the sovereign it would not leave 19*s.* 10*d.* as Lord Overstone, Sir John Herschell and Mr. Hubbard supposed, but 20*s.* as before.

Perhaps it was through some fear of encountering witnesses of this class that those bankers of the United Kingdom who gave evidence before the late Select Committee on Banks of Issue were questioned so little as to the

Bank Acts or their working, except where their own respective banking interests were concerned. According to the programme, however, this could not well be otherwise. "The policy of these Acts," to use the Chancellor of the Exchequer's words, "is not to be opened up, the enquiry not being with the view of changing the basis of the legislation of 1844 or of questioning whether we are or are not to maintain the distinction which that Act created and recognised between currency and credit." Though the meaning of the word "credit" as here used is not very clear, the word "currency" is meant to signify, no doubt, not the sign as the bank note, but its substance as the sovereign; in other words, that solid part of it which consists of the precious metals, because it is only from these that the true standard of value is derived, whether in gold or in silver, and Sir Robert Peel makes it, therefore, the base of our own as it is of all sound currency, and he defines the pound sterling accordingly.

"The only meaning," says Sir Robert Peel,* "of an ounce of gold for £3. 17s. 10½d. is simply this, that it is the relation which silver bears to gold with respect to value."† "Bullion," he says farther, "is distributed according to certain laws which we cannot understand and which we cannot control. The supply of bullion is regulated amongst the different countries of the world according to their several necessities. Each country, for reasons we cannot dive into, commands a sufficient supply."

These words alone give assurance of a knowledge in regard to money, its nature and destiny, which may be looked for in vain elsewhere, and of Sir Robert Peel, therefore, more than of any one in all that relates thereto, it may be said, as Mr. Gladstone has said of some one, that "his intellect was sharp enough to cut the diamond and bright as the diamond which it cuts."

VERITAS.

[We have pleasure in printing this letter from "Veritas," though we must rank ourselves among those who believe that the metallic circulation of the country is largely beyond the 30 millions at which he places it.—ED. B. M.]

TENDERS FOR BILLS ON INDIA.

TENDERS for £175,000 in telegrams and bills on India were received March 28th, at the Bank of England. The amounts allotted were:—To Calcutta, £100,000, at an average rate of 1s. 8·69d.; and to Bombay, £75,000, at an average rate of 1s. 8·687d. Tenders on Calcutta for bills at 1s. 8½d., and telegrams at 1s. 8 11-16d., receive about 75 per cent., above in full; on Bombay, for telegrams at 1s. 8 11-16d., about 42 per cent.

Tenders for £265,000 in bills and telegrams on India were received at the Bank of England, April 4th. The amounts allotted were:—To Calcutta, £165,000, at an average rate of 1s. 8·687d.; to Bombay, £100,000, at an average rate of 1s. 8·75d. Tenders on Calcutta for telegrams at 1s. 8 11-16d., receive about 19 per cent., for bills at that price in full; on Bombay for telegrams at 1s. 8½d., about 20 per cent.

Tenders for £265,000 in bills and telegrams on India were received April 11th, at the Bank of England. The amounts allotted were:—To Calcutta, £165,000, at an average rate of 1s. 8·95d.; and to Bombay, £100,000, at an average rate of 1s. 9·01d. Tenders on Calcutta for telegrams at 1s. 8 15-16d. receive about

* His speech on the Bank Act, 1844.

† This value of gold in relation to silver, say 1 ounce of standard gold equal to 15½ ounces of standard silver, was much the same in Locke's day as it has continued to be up till very recently, when, from some cause purely temporary, it has been disturbed for a time.

10 per cent. for bills at that price, and all above in full. On Bombay at that price for telegrams about 9 per cent. ; above in full.

Tenders for \$265,000 in telegrams on India were received April 18th, at the Bank of England. The amounts allotted were:—To Calcutta, £165,000, at an average rate of 1s. 9·77d.; and to Bombay, £100,000, at an average rate of 1s. 9·69d. Tenders on Calcutta and Bombay at 1s. 9½d. for telegrams will receive about 19 per cent. and 39 per cent. respectively, above in full.

Monthly Notes.

THE net profits of the Bank of Scotland for the year ended 28th February, including £18,727 brought forward, were £187,080. The half-yearly dividend, at the rate of 14 per cent., paid last October, took £70,000, and the directors now propose a similar distribution. This will take £87,500, so that the balance left is £29,580. There is, however, the premium on the new shares issued, which amounts to £375,000, and the directors propose, accordingly, to add £340,000 to reserve, raising it to £750,000, to extinguish the balance of the price paid for the central bank by paying £45,000, and to place £5,000 to reduction of premises account, leaving £14,580 to be carried forward. The balance sheet shows a liability of £10,409,120 on deposits, and a note circulation of £639,115.

The directors of the Standard Bank of British South Africa (Limited) report a profit for the past half-year of £88,670, inclusive of £5,513 brought down, but not deducting rebate. This sum is divided as follows:—£36,000 to pay a dividend and bonus together at the rate of 12 per cent., £20,000 to the reserve fund, £29,625 as rebate, and a small balance to the new half-year.

It is stated that the secretary of the National Bank of Paraguay left England on a special mission to the Government of Paraguay, on behalf of the Council of Foreign Bondholders, as representing the bondholders of the Paraguay Loans of 1871 and 1872; and also on behalf of the shareholders of the bank.

Mr. Greville Horaley Palmer, of the firm of Messrs. Dent, Palmer, and Co., has been elected a Director of the Bank of Egypt.

At the request of the Australian Colonies, Her Majesty's Government have selected Sir W. Jervois, K.C.M.G., R.E., Governor of the Straits Settlements, and Lieutenant-Colonel Scratchley, R.E., to advise the respective Colonial Governments on a scheme of defence for the chief Australian ports. Colonel Scratchley has already left England, and will join Sir W. Jervois at Sydney.

The Colonial Bank of New Zealand have appointed Mr. David Mackie (who has been for many years connected with the Oriental Bank) to be manager of their branch office in London.

The directors of the Oriental Bank Corporation announce a dividend of 5 per cent. for the half-year, making, with the dividend previously paid, 10 per cent. for the year ended the 31st December, 1876.

A branch of the London and South Western Bank was opened at Croydon on the 16th April, at No. 30, North End, in temporary offices until permanent premises are built.

The directors of the Mercantile Bank of the River Plate state, in their report for the year ended 31st December, that in valuing the assets they have written off all debts ascertained to be bad, made provision for the estimated loss on doubtful accounts and depreciated securities, and, as regards properties at pre-

sent unsaleable, or only realisable at prices which it would be injudicious to accept, have stated the values at the figures at which they were taken over, but anticipate a considerable eventual loss under this head. The liabilities have been reduced by £998,682, and now amount to about £460,000. The amount written off for bad and doubtful debts was no less than £701,156, and the loss through depreciation of currency at Buenos Ayres was £33,237. The expenses, including law charges, &c., were nearly £30,000.

The Criterion Hotel, standing upon half an acre of land, with a frontage of 66ft. 5in. to Collins Street, Melbourne, has been bought by the Union Bank of Australia for £33,000. The hotel will be pulled down and a bank built on its site.

Messrs. Seyd and Co., foreign bankers, &c., of 1A, Princes-street, Bank, E.C., have removed their offices to 38, Lombard-street.

Mr. Alexander Walker, for many years in the London Joint Stock Bank, has been appointed assistant general manager of the Birmingham, Dudley, and District Banking Company, Birmingham.

The directors of the Chartered Bank of India, Australia, and China recommend a dividend of $3\frac{1}{2}$ per cent. for the second half of last year, making 6 per cent. for the whole year, free of income-tax, and the transfer of £66,000 to reserve fund, raising it to £110,000, leaving £6,300 to be carried forward.

The directors of the London Chartered Bank of Australia recommend a dividend at the rate of 8 per cent. per annum.

MONTHLY CHRONOLOGY.

March 22.—A series of resolutions has been passed by the United States Centennial Commission and the Centennial Board of Finance, thanking the Queen, the British Government, and the British officials for their co-operation in connection with the Philadelphia Exhibition of last year.

22.—A telegram from Constantinople announces that the armistice between Montenegro and the Porte has been officially prolonged until the 13th of April. The British Chargé d'Affaires continues his efforts to bring about an understanding.

22.—The Emperor William of Germany celebrated his 80th birthday, his Majesty having been born on March 22, 1797.

31.—The Protocol relative to the affairs of Turkey was signed at London, by the Powers who have undertaken in common the pacification of the East, and have with that view taken part in the Conference of Constantinople.

April 2 (Easter Monday).—The stock markets and banks were as usual closed, under the provisions of Sir John Lubbock's Bank Holiday Act.

6.—The Bank of France lowered its rate of discount from 3 per cent. to 2 per cent., being the first time it has reached so low a rate.

5.—Mr. Sherman, the Secretary of the United States Treasury, has made a further call of \$10,000,000 Five-Twenty United States bonds for redemption.

10.—At a General Court of the Bank of England, held to-day, Mr. Edward Howley Palmer (of the firm of Dent, Palmer, and Co.) was elected Governor, and Mr. John William Birch (of the firm of Mildred, Goyeneche, and Co.) Deputy-Governor, for the ensuing year.

12.—The Chancellor of the Exchequer introduced his Budget, giving the estimate for the financial year 1877-8:—Expenditure, £78,794,044; Revenue, £78,020,000.

15.—M. Thiers reached his 80th birthday.

- 18.—The Bank of Bombay rate of discount raised to 11 per cent.
 19.—The Bank of Bengal has raised its rate of interest and discount to 11 per cent.
 19.—The Emperor of Russia left St. Petersburg this morning for Kischeneff, *via* Warsaw, to return in about a fortnight by way of Moscow, where he will probably issue a Proclamation of War with Turkey.
 20.—The five miners who have been imbedded ten days in a mine near Pontypridd, in Wales, are saved by the intrepid and persevering efforts of some of their fellow workmen, and were brought to bank at half-past 2 o'clock this afternoon.
 25.—Russia has made a proclamation of war against Turkey.
 26.—The Corporation of Birmingham receive at the Bank of England, London, sealed tenders for £1,500,000 of their Three-and-a-Half per Cent. De-benture Stock, which is issued for the purposes of the Birmingham Improvement Scheme, under authority of 38 and 39 Victoria.

EMBARRASMENTS.

THE bankruptcy of Mr. Joseph Eastwood Kitchin, of Southwark, hop merchant, is announced. His liabilities are estimated at between £60,000 and £70,000, and the books are in the hands of Mr. John Slater, of Guildhall-chambers. Messrs. Sole, Turners and Knight are the solicitors. Mr. J. E. Kitchin's business is in no way connected with that of Kitchin, Sons & Co., of the Borough.

At Liverpool, the failure is announced of Messrs. Robert Lockhart & Dempster, merchants. The liabilities, though heavy, are stated to be mostly covered with cotton as security.

The failure is announced of Mr. Thomas Greener, coal and coke merchant, of Darlington, with liabilities of £20,000.

The following is from the *Manchester Courier* with reference to the mercantile complications in Sheffield:—"The financial crisis at Sheffield, caused by the revelations into the position and management of the Patriotic Building Societies, has resulted in another heavy failure. Yesterday afternoon a petition was filed in the Sheffield Bankruptcy Court, on behalf of Mr. Benjamin Jones, whose liabilities are stated at £80,000. Mr. Jones is the chairman of the Patriotic Building Societies, and is one of the eight gentlemen who formed themselves into a co-partnership, and purchased from the 8th Patriotic Club the Cardigan Works, which in 1873 were floated as a limited company. The co-partnership obtained from the society on the mortgage of the works £40,000, and on their own guarantee another £43,000. Mr. Jones attributes his present position to the responsibilities that he took upon himself in connection with his co-partnership. Seven out of the eight vendors have now gone into liquidation."

Monetary Review.

IN view of the gravity of the political events which have transpired during the past month, the condition of the money market has been characterised by a remarkable absence of perturbation or alarm. At the beginning of the month the rates for money were firmly maintained, owing to the necessity of the discount houses being prepared to repay advances falling due simultaneously with the date of dividend payments; and the announcement that the protocol had at length been signed by the European Powers, whilst producing an easier feeling in commercial centres, had no perceptible effect upon the rates for money. Still, the improved political aspect resulted in

an immediate demand for bills on continental cities within the range of possible contingent complications. The reduction by the Bank of France of its rate of discount to 2 per cent., which took place early in the month, is a noteworthy feature in any monetary review of the period. It is the first time that institution has marked so low a rate, and the movement is strongly indicative of the altered conditions for employment of capital and of the existence of a bar to the passage of money in the channels whence it had flowed so freely in previous years of late. The rate of the Bank of France being now on a par with that of the Bank of England, there is less likelihood of money being drawn hence, which may be of advantage to us in contemplating the diminished reserves of gold in the Bank's vaults here. The probable requirements of the German Government must, however, be kept in view.

With the revenue and expenditure of the country in a condition bordering on equilibrium, the Budget of the Chancellor of the Exchequer was awaited with less than the usual amount of interest. A surplus of £440,000 on the past year's accounts, however, is not to be despised under the circumstances, when we consider that the conditions of trade and employment during the period have been such as to create forebodings, at times, of a different result; it is satisfactory, moreover, to find that Sir Stafford Northcote is able to look forward to the current year's accounts with a like hopeful anticipation. We can only say our wish is that it may be realised. It must be admitted, however, that there are elements of uncertainty with regard to both sides of the account. Whilst we look at the condition of trade and the recent falling off in the revenue, some doubts arise on the score of this year's income, and on the other side, still greater doubt arises, when we regard the political aspect of affairs, as to what the year's expenditure may be; should the impending war be confined to the two Powers who have at length assumed an attitude of defiance towards each other, no immediate or important effect is likely to result to our money market from the occurrence of the lamentable event, inasmuch as neither of those Powers are in sufficient credit here to enable them to resuscitate the sinews of war in this quarter. So that for the present there is no reason to apprehend any disturbance of our money market or any important rise in the rates. Since the release of the dividends, money has been easier and is likely so to continue for a while, unless war complications become extended, one of the mischievous effects of that calamity being to contract the peaceful operations connected with an extended commerce. Hence results a greater accumulation of unemployed capital and fewer bills in the market for discount.

The movements of the stock markets have presented a strong contrast to the steadiness of the money market during the political perturbations of the period. The announcement of the signature of the protocol, which was expected to be followed by negotiations for simultaneous disarmament by Russia and Turkey, produced a

favourable effect upon the business of the Stock Exchange, and a rise ensued in most classes of securities, but more particularly in foreign government bonds. This improved feeling, however, was of but short duration; it was evident that nothing in the way of a settlement was secured by the protocol, and when its rejection by Turkey became known, and the warlike preparations of Russia were made patent, panic spread throughout most of the departments, and an enormous extent of speculative transactions were entered into for the fall. The principal operations naturally occurred in the foreign market, where the shock fell upon almost every description of security, though the chief falls were in Russian, Hungarian, Turkish, Austrian, and Italian Bonds, these marking depreciations varying from 12 to 3 per cent. in the week from 7th to 14th April. The effects of the panic extended to English railways, upon which property speculative selling caused a general and in some cases considerable fall: In Consols heavy sales on speculation caused a fall in price of, at one time, as much as 1 per cent.; while on the other hand, Metropolitan and Colonial Bonds remained outside of the range of the scare. The shares of joint stock banks were little moved by the event, except in the cases of those institutions whose business operations are immediately connected with the countries likely to be involved in the expected complications. After awhile these panic operations subsided, and in the absence of decisive intelligence from the East, a moderate reaction set in, as might reasonably be expected, and prices of the more speculative stocks recovered to some extent from the lowest point, though principally upon speculative operations. As we are going to press news comes of the expected proclamation of war having been made by Russia against Turkey; the depression has consequently become more general, and pervades nearly every class of securities dealt in on the Stock Exchange. Consols have touched 94: The money market continues easy; there is, however, a disturbing element in the German demand for gold which has become manifest. A considerable amount has been withdrawn from the Bank since last week's return.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to **the Proprietors, Waterlow & Sons Limited, 25, Great Winchester Street, London**, who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month, to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1876.	£	£	%	£	£	£
July 5	28,408,850	29,371,085	103	15,399,705	17,400,313	8,766,333
12	28,272,045	30,042,680	106	15,399,705	17,493,334	4,810,839
19	28,359,275	31,385,850	110	15,335,777	17,217,416	4,732,174
26	28,314,640	31,136,850	110	15,405,977	17,011,493	4,982,160
Aug. 2	28,931,980	32,725,370	113	15,702,325	16,896,302	5,303,493
9	28,925,655	32,912,070	114	15,617,896	16,181,455	5,440,031
16	28,587,570	33,884,915	118	15,459,133	15,967,890	5,490,302
23	28,221,815	33,217,215	117	15,259,133	15,945,490	5,305,436
30	28,087,975	33,040,795	118	15,259,133	15,854,353	5,768,584
Sept. 6	28,179,985	33,509,770	119	15,260,463	16,401,182	5,974,133
13	27,876,800	34,176,790	122	15,222,963	16,023,575	6,289,384
20	27,773,460	34,205,975	123	15,229,155	16,015,085	6,591,284
27	27,973,390	34,049,270	122	15,300,264	16,010,461	7,043,838
Oct. 4	29,249,745	34,127,760	117	15,712,817	15,906,720	6,383,517
11	29,095,750	33,514,885	115	18,202,925	16,018,786	6,181,234
18	28,961,050	32,712,360	113	17,802,925	16,107,468	5,422,087
25	28,541,080	32,775,515	114	17,202,925	16,162,097	5,543,444
Nov. 1	28,782,855	32,190,735	112	17,008,228	16,639,955	5,781,462
8	28,504,940	31,019,690	109	16,308,228	16,538,345	5,666,471
15	28,037,050	30,248,020	108	15,739,297	16,502,061	5,566,667
22	27,802,905	29,643,670	107	15,739,297	16,542,567	6,037,391
29	27,554,155	28,623,170	104	15,739,297	16,752,031	6,538,842
Dec. 6	27,612,925	28,544,460	103	15,832,797	17,102,566	6,398,081
13	27,196,160	28,199,140	104	15,833,004	17,017,236	7,231,822
20	27,460,980	28,082,925	102	15,934,208	17,083,627	7,785,933
27	27,898,255	27,810,945	100	15,958,653	17,518,852	8,173,488
1877.						
Jan. 3	28,622,775	27,533,430	96	15,969,162	19,582,320	6,203,440
10	28,302,820	27,351,155	96	18,766,486	17,516,675	4,373,157
17	28,037,420	26,484,920	94	18,267,876	17,676,106	3,955,536
24	27,638,950	26,319,380	95	17,317,876	17,762,841	4,101,623
31	27,592,885	26,650,241	97	16,367,876	17,732,917	4,887,155
Feb. 7	27,814,430	25,624,520	92	16,001,441	17,787,156	5,613,338
14	27,541,435	25,590,545	93	16,001,441	17,818,123	6,632,609
21	27,177,240	25,824,255	95	16,026,176	17,576,949	6,857,731
28	27,216,605	26,010,290	96	16,026,176	19,071,302	7,215,293
Mar. 7	27,347,790	25,510,290	93	15,988,176	19,049,118	8,295,675
14	27,058,190	25,554,275	94	15,998,532	19,103,570	8,695,941
21	26,961,195	25,495,540	94	16,002,035	19,344,179	8,883,936
28	27,982,640	25,742,035	92	15,502,035	23,766,279	11,530,029
April 7	28,412,165	25,283,790	89	15,308,096	22,854,102	9,916,041
14	28,566,345	25,081,145	88	15,319,338	19,514,925	6,835,131

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities.	Rate of Discount
1876.	£	£	£	£	%	
July 5	22,708,423	303,333	31,778,089	16,781,842	53	2
12	27,635,123	299,647	32,745,609	17,704,436	54	—
19	28,559,404	311,024	33,602,602	18,934,701	56	—
26	28,960,784	309,364	34,262,308	19,723,286	58	—
Aug. 2	28,688,877	321,219	34,313,589	19,621,201	57	—
9	27,992,567	324,224	33,767,822	19,876,523	59	—
16	28,644,306	362,741	34,497,349	21,018,406	61	—
23	28,252,255	389,520	33,947,211	20,672,917	60	—
30	27,686,451	364,589	33,819,624	20,621,351	61	—
Sept. 6	28,003,701	440,828	34,418,662	20,987,257	61	—
13	28,271,987	419,640	34,981,011	21,967,897	63	—
20	28,284,981	370,618	35,246,883	22,244,069	63	—
27	27,517,747	357,924	34,919,509	21,851,251	63	—
Oct. 4	27,196,160	373,151	33,952,828	20,566,672	60	—
11	30,003,658	416,160	33,601,062	19,999,772	55	—
18	29,857,947	401,432	35,681,466	19,396,451	45	—
25	29,488,402	358,306	35,390,152	19,653,789	55	—
Nov. 1	29,103,020	366,409	35,250,891	19,218,686	54	—
8	27,393,442	369,778	33,429,691	18,200,927	54	—
15	26,542,056	380,328	21,489,051	17,870,268	55	—
22	25,914,347	360,080	32,311,818	17,653,891	54	—
29	24,916,197	348,338	31,803,377	16,902,034	53	—
Dec. 6	25,427,699	311,946	32,137,726	16,787,290	52	—
13	24,505,596	334,620	32,072,038	16,809,930	52	—
20	23,634,924	321,397	31,742,254	16,315,553	52	—
27	22,876,676	299,153	31,348,317	15,467,179	49	—
1877.						
Jan. 3	25,936,786	328,619	32,468,845	14,591,890	45	—
10	28,385,591	381,955	33,140,703	14,694,912	44	—
17	28,086,715	349,136	32,391,387	14,317,794	44	—
24	27,365,718	331,834	31,799,175	14,591,076	46	—
31	25,146,245	315,669	30,299,079	14,057,356	46	—
Feb. 7	23,520,174	329,031	29,462,543	13,562,473	46	—
14	22,890,468	297,860	29,820,937	13,896,824	47	—
21	23,152,710	280,370	30,290,811	14,581,064	48	—
28	24,039,409	258,794	31,513,496	14,704,822	47	—
Mar. 7	22,235,162	302,062	30,832,899	14,086,465	45	—
14	22,289,135	264,315	31,249,391	14,441,048	46	—
21	22,264,911	267,221	31,416,068	14,376,131	45	—
28	22,615,486	304,262	34,449,777	13,481,652	39	—
April 7	22,215,615	300,812	32,432,468	12,572,518	39	—
14	22,430,616	367,973	29,633,720	12,418,314	42	—

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

PUBLIC INCOME AND EXPENDITURE.

The following are the receipts into and payment out of the Exchequer between April 1, 1877, and April 21, 1877 :—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1877-78.	Total Receipts into the Exche- quer from April 1, 1877, to April 21, 1877.	Total Receipts into the Exche- quer from April 1, 1876, to April 21, 1876.
Balance, April 1, 1877.	£	£	£
Bank of England	—	4,816,797	3,826,896
Bank of Ireland	—	1,172,853	1,292,691
		5,988,650	5,119,587
REVENUE.			
Customs	—	1,229,000	1,153,000
Excise	—	1,957,000	1,623,000
Stamps	—	678,000	694,000
Land Tax & House Duty	—	175,000	150,000
Property and Income Tax	—	303,000	260,000
Post Office	—	651,000	600,000
Telegraph Service	—	55,000	55,000
Crown Lands	—	—	—
Interest on advances for Local Works and on Purchase Money of Suez Canal Shares	—	49,080	27,197
Miscellaneous	—	206,414	241,639
Revenue	—	5,303,494	4,803,836
Total, including balance		11,292,144	9,923,423
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)	—	—	700,000
Advances under various Acts, repaid to Exchequer	—	106,606	40,609
Totals	£	11,398,750	10,664,032

EXPENDITURE AND OTHER PAYMENTS.

EXPENDITURE.	Estimate for the Financial Year 1877-78.	Total Issues out of Exchequer to meet Payments from April 1, 1877 to April 21, 1877.	Total Issues out of Exchequer to meet Payments from April 1, 1876 to April 21, 1876.
	£	£	£
Permanent charge of Debt	—	5,095,051	5,114,583
Interest on Temporary Loans for Local Works, and Interest &c., on Ex- cheqr. Bnds. (Suez)	—	4,375	4,375
Other charges on Consolidated Fund	—	276,952	279,298
Supply Services	—	1,679,307	1,812,516
Estimate	—		
Expenditure		7,055,685	7,210,770
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		15,000	160,868
Exchequer Bills paid off		1,100	2,000
		7,071,785	7,373,638
Balances on April 21, 1877 :—			
Bank of England		3,656,275	2,573,915
Bank of Ireland		670,690	716,479
Totals	£	11,398,750	10,664,032

BANK OF FRANCE.

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DEBTOR.

	Mar. 22.		Mar. 20.		April 5.		April 12.		April 19.	
	F.	C.	F.	C.	F.	C.	F.	C.	F.	C.
Capital of the Bank ...	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54
Reserve of the Bank and its branches ...	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14
Reserve of landed property ...	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Special Reserve ...	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97
Notes in circulation ...	2,527,364,200	0	2,544,622,615	0	2,547,117,235	0	2,537,509,145	0	2,528,614,410	0
Bank-notes to order and receipts payable at sight ...	32,124,825	44	33,189,348	7	34,743,021	13	33,451,770	60	34,701,701	2
Treasury account current, creditor ...	81,029,298	89	111,292,134	49	91,915,366	37	82,523,923	44	105,076,317	89
Current accounts, Paris-Do., branch banks ...	369,581,613	67	351,236,304	71	336,313,129	67	331,623,540	51	355,740,096	87
Dividends payable ...	46,092,183	0	49,190,562	0	37,744,466	0	44,274,188	0	37,820,552	0
Interest on securities transferred or deposited ...	1,877,906	0	1,813,566	0	1,736,360	0	1,664,500	0	1,675,615	0
Discounts and sundry interests ...	3,146,506	41	3,028,088	31	5,625,294	85	5,068,400	4	4,094,507	60
Re-discounted the last six months ...	4,812,834	34	5,029,476	29	5,444,206	72	5,079,772	0	6,130,552	23
Bills not disposable ...	1,662,127	11	1,662,127	11	1,662,127	11	1,662,127	11	1,662,127	11
Reserve for eventual losses on prolonged bills	1,564,355	66	2,770,597	95	1,700,333	77	1,690,335	79	1,855,611	85
Sundries ...	6,960,000	0	6,960,000	0	6,960,000	0	6,960,000	0	6,960,000	0
Total ...	3,342,100,362	31	3,357,049,561	2	3,321,304,687	89	3,301,487,120	27	3,332,500,420	87

CREDITOR.

	Mar. 22.		Mar. 20.		April 5.		April 12.		April 19.	
	F.	C.	F.	C.	F.	C.	F.	C.	F.	C.
Cash in hand and in branch banks ...	2,228,441,221	93	2,232,860,226	85	2,216,048,663	11	2,196,411,640	34	2,193,456,874	67
Commercial bills overdue ...	226,166	93	163,037	7	149,749	33	181,368	33	155,038	64
Commercial bills discounted, not yet due	189,745,411	26	196,489,502	83	176,896,207	93	168,666,486	60	194,011,775	73
Treasury bonds ...	338,845,000	0	338,845,000	0	338,845,000	0	338,845,000	0	338,845,000	0
Commercial bills, branch banks ...	187,725,490	0	198,542,213	0	190,367,440	0	195,223,667	0	197,632,073	0
Advances on deposits of bullion ...	12,721,000	0	12,059,900	0	12,283,900	0	12,502,900	0	11,911,400	0
Do. in branch banks ...	1,934,100	0	2,115,400	0	2,292,700	0	2,487,700	0	2,580,200	0
Do. in French public securities ...	27,240,400	0	27,454,300	0	27,528,500	0	27,369,700	0	28,546,500	0
Do. by branch banks ...	19,358,400	0	19,020,600	0	19,312,500	0	19,136,600	0	19,556,000	0
Do. on railway shares and debentures ...	15,713,500	0	15,804,200	0	15,879,100	0	15,813,700	0	16,573,800	0
Do. by branch banks ...	13,167,650	0	12,986,050	0	12,860,650	0	12,668,650	0	13,211,150	0
Do. on Crédit Foncier bonds ...	1,260,800	0	1,255,800	0	1,256,700	0	1,234,500	0	1,213,400	0
Do. branches ...	808,500	0	838,700	0	798,800	0	807,700	0	802,500	0
Do. to the State (Convention June 10, 1857)	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0
Government stock reserve ...	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14
Do. disposable ...	76,313,613	82	76,313,613	82	76,313,613	82	76,313,613	82	76,313,613	82
Rentes Immobilières (Law of June 9, 1857)	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
Hotel and furniture of the Bank and landed property of branches	9,321,388	0	9,352,544	0	9,362,403	0	9,365,979	0	9,366,312	0
Expenses of management ...	1,016,789	54	1,288,301	68	1,587,529	30	1,668,242	25	1,848,428	52
Employ of the Special Reserve ...	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97
Sundries ...	27,596,169	72	31,155,211	66	28,978,072	30	30,165,803	12	30,811,593	38
Total ...	3,342,100,362	31	3,357,049,561	2	3,321,304,687	89	3,301,487,120	27	3,332,500,420	87

BANKERS' CLEARING-HOUSE RETURNS.

FOR THE QUARTER, JANUARY TO MARCH, 1877.

LONDON.

		£	£
Jan.	4 Thursday	19,954,000	
	5 Friday	15,781,000	
	6 Saturday	18,128,000	
	8 Monday	15,308,000	
	9 Tuesday	14,037,000	
	10 Wednesday	12,992,000	
			96,200,000
Jan.	11 Thursday	12,378,000	
	12 Friday	12,460,000	
	13 Saturday	16,653,000	
	15 Monday	14,557,000	
	16 Tuesday	17,227,000	
	17 Wednesday	32,877,000	
			106,152,000
Jan.	18 Thursday	16,650,000	
	19 Friday	14,745,000	
	20 Saturday	17,068,000	
	22 Monday	14,298,000	
	23 Tuesday	14,996,000	
	24 Wednesday	13,312,000	
			91,069,000
Jan.	25 Thursday	11,752,000	
	26 Friday	14,375,000	
	27 Saturday	14,511,000	
	29 Monday	13,584,000	
	30 Tuesday	14,787,000	
	31 Wednesday	34,777,000	
			103,786,000
Feb.	1 Thursday	19,327,000	
	2 Friday	16,419,000	
	3 Saturday	21,813,000	
	5 Monday	15,157,000	
	6 Tuesday	15,835,000	
	7 Wednesday	14,987,000	
			103,488,000
Feb.	8 Thursday	12,676,000	
	9 Friday	13,299,000	
	10 Saturday	13,074,000	
	12 Monday	13,206,000	
	13 Tuesday	15,079,000	
	14 Wednesday	28,140,000	
			95,474,000
			£596,169,000

MANCHESTER.

		£	£
Jan.	1 Monday	430,000	
	2 Tuesday	254,000	
	3 Wednesday	451,000	
	4 Thursday	270,000	
	5 Friday	283,000	
	6 Saturday	361,000	
			2,049,000
Jan.	8 Monday	290,000	
	9 Tuesday	216,000	
	10 Wednesday	281,000	
	11 Thursday	215,000	
	12 Friday	286,000	
	13 Saturday	303,000	
			1,591,000
Jan.	15 Monday	268,000	
	16 Tuesday	209,000	
	17 Wednesday	298,000	
	18 Thursday	229,000	
	19 Friday	284,000	
	20 Saturday	324,000	
			1,612,000
Jan.	22 Monday	216,000	
	23 Tuesday	193,000	
	24 Wednesday	263,000	
	25 Thursday	179,000	
	26 Friday	322,000	
	27 Saturday	549,000	
			1,722,000
Jan.	29 Monday	327,000	
	30 Tuesday	226,000	
	31 Wednesday	359,000	
Feb.	1 Thursday	276,000	
	2 Friday	315,000	
	3 Saturday	320,000	
			1,823,000
Feb.	5 Monday	278,000	
	6 Tuesday	221,000	
	7 Wednesday	409,000	
	8 Thursday	284,000	
	9 Friday	288,000	
	10 Saturday	330,000	
			1,810,000
			£10,607,000

LONDON.

		Brought forward	\$596,169,000
Feb. 16	Thursday	\$16,216,000	
16	Friday	15,411,000	
17	Saturday	18,060,000	
19	Monday	14,798,000	
20	Tuesday	14,504,000	
21	Wednesday	14,798,000	
		92,787,000	
Feb. 22	Thursday	13,038,000	
23	Friday	12,939,000	
24	Saturday	14,255,000	
26	Monday	12,088,000	
27	Tuesday	16,514,000	
28	Wednesday	33,401,000	
		102,235,000	
Mar. 1	Thursday	19,573,000	
2	Friday	17,094,000	
3	Saturday	25,122,000	
5	Monday	14,385,000	
6	Tuesday	14,882,000	
7	Wednesday	14,972,000	
		105,928,000	
Mar. 8	Thursday	13,373,000	
9	Friday	13,746,000	
10	Saturday	14,130,000	
12	Monday	14,393,000	
13	Tuesday	15,314,000	
14	Wednesday	31,309,000	
		102,265,000	
Mar. 15	Thursday	15,063,000	
16	Friday	14,280,000	
17	Saturday	19,162,000	
19	Monday	13,935,000	
20	Tuesday	11,494,000	
21	Wednesday	15,343,000	
		89,277,000	
Mar. 22	Thursday	12,890,000	
23	Friday	12,982,000	
24	Saturday	13,378,000	
26	Monday	13,219,000	
27	Tuesday	15,340,000	
28	Wednesday	33,498,000	
		101,307,000	
Mar. 29	Thursday	20,268,000	
30	Good Friday	—	
31	Saturday	17,464,000	
April 2	Bank Holiday	—	
3	Tuesday	21,490,000	
4	Wednesday	18,930,000	
		78,152,000	
		\$1,268,120,000	

MANCHESTER.

		Brought forward	\$10,607,000
Feb. 12	Monday	\$258,000	
13	Tuesday	223,000	
14	Wednesday	291,000	
15	Thursday	225,000	
16	Friday	317,000	
17	Saturday	317,000	
		1,631,000	
Feb. 19	Monday	214,000	
20	Tuesday	186,000	
21	Wednesday	251,000	
22	Thursday	179,000	
23	Friday	308,000	
24	Saturday	518,000	
		1,656,000	
Feb. 26	Monday	342,000	
27	Tuesday	233,000	
28	Wednesday	312,000	
Mar. 1	Thursday	258,000	
2	Friday	336,000	
3	Saturday	383,000	
		1,864,000	
Mar. 5	Monday	309,000	
6	Tuesday	224,000	
7	Wednesday	401,000	
8	Thursday	230,000	
9	Friday	266,000	
10	Saturday	328,000	
		1,758,000	
Mar. 12	Monday	221,000	
13	Tuesday	179,000	
14	Wednesday	313,000	
15	Thursday	195,000	
16	Friday	319,000	
17	Saturday	300,000	
		1,527,000	
Mar. 19	Monday	225,000	
20	Tuesday	173,000	
21	Wednesday	237,000	
22	Thursday	162,000	
23	Friday	247,000	
24	Saturday	262,000	
		1,306,000	
Mar. 26	Monday	210,000	
27	Tuesday	190,000	
28	Wednesday	317,000	
29	Thursday	418,000	
30	Good Friday	—	
31	Saturday	386,000	
		1,521,000	
		\$21,870,000	

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1877. Mar. 28.	1877. April 4.	1877. April 11.	1877. April 18.
	£	£	£	£
Notes issued	40,742,055	40,283,790	40,091,145	40,175,295
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion	25,742,036	25,293,790	25,081,145	25,175,295
Silver Bullion				
	40,742,055	40,283,790	40,081,145	40,175,295

BANKING DEPARTMENT.

	1877. Mar. 28.	1877. April 4.	1877. April 11.	1877. April 18.
	£	£	£	£
Prorietors' capital	14,553,000	14,553,000	14,553,000	14,553,000
Reserve	3,767,189	3,749,243	3,065,857	3,070,143
Public deposits (Incl. g. Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts)	11,530,020	9,916,041	6,835,131	6,467,402
Other deposits	22,615,496	22,215,615	22,431,416	22,190,134
Seven day and other bills	361,262	300,812	367,973	329,403
	54,759,966	50,734,716	47,252,577	47,600,081
Government Securities	15,502,015	15,308,066	15,319,338	15,329,801
Other Securities	23,776,279	22,854,102	19,514,925	19,400,216
Notes	12,759,395	11,481,423	11,514,800	11,780,465
Gold and Silver coin	722,261	700,183	903,514	1,019,699
	52,759,966	50,734,716	47,252,577	47,600,081

THE EXCHANGES.

	Mar. 29.	April 6.	April 13.	April 20.
Amsterdam, short	12 1/2	12 1/2	12 1/2	12 1/2
Ditto 3 months	12 3/4	12 3/4	12 3/4	12 3/4
Rotterdam, ditto	12 3/4	12 3/4	12 3/4	12 3/4
Antwerp and Brussels, ditto	25 40	25 40	25 40	25 37 1/2
Paris, short	25 25	25 25	25 25	25 23 1/2
Ditto 3 months	25 37 1/2	25 37 1/2	25 37 1/2	25 37 1/2
Marseilles, ditto	25 40	25 37 1/2	25 37 1/2	25 37 1/2
Hamburg, ditto	20 64	20 65	20 67	20 68
Berlin, ditto	20 64	20 65	20 67	20 68
Leipzig, ditto	20 64	20 65	20 67	20 68
Frankfurt-on-the-Main, ditto	20 64	20 65	20 67	20 68
Petersburgh, ditto	28 1/2	29	27	27
Copenhagen, ditto	18 60	18 60	18 65	18 60
Vienna, ditto	12 67 1/2	12 52 1/2	13 5	13 20
Trieste, ditto	12 67 1/2	12 52 1/2	13 5	13 20
Zurich and Basle, ditto	25 40	25 40	25 40	25 42 1/2
Madrid, ditto	47	46 1/2	46 1/2	46 1/2
Cadiz, ditto	48 1/2	48	48	47 1/2
Seville, ditto	48 1/2	48	47 1/2	47 1/2
Barcelona, ditto	48 1/2	48	47 1/2	47 1/2
Malaga, ditto	47 1/2	47 1/2	47 1/2	47 1/2
Granada, ditto	47 1/2	47 1/2	47 1/2	47 1/2
Santander, ditto	48	48	47 1/2	47 1/2
Bilbao, ditto	47 1/2	47 1/2	47 1/2	47 1/2
Zaragoza, ditto	47 1/2	47 1/2	47 1/2	47 1/2
Genoa, Milan, Leghorn, ditto	27 67 1/2	27 57 1/2	27 57 1/2	28 55
Venice, ditto	27 67 1/2	27 57 1/2	27 57 1/2	28 55
Naples, ditto	27 67 1/2	27 57 1/2	27 57 1/2	28 55
Palermo and Messina, ditto	27 67 1/2	27 57 1/2	27 57 1/2	28 55
Lisbon, 90 days	52 1/2	52 1/2	52 1/2	51 1/2
Oporto, ditto	52 1/2	52 1/2	52 1/2	51 1/2
Rio Janeiro, 90 days	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 5 1/2	3 17 9	3 17 9	3 17 9
Mexican Dollars	0 4 5 1/2	0 4 5 1/2	0 4 6	0 4 7
Silver in Bars (Standard)	0 4 6	0 4 5 1/2	0 4 5 1/2	0 0 0

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
"	207 Private Banks	5,158,407
"	72 Joint Stock Banks	3,495,446
Scotland—	12 Joint Stock Banks	3,087,209
Ireland—	6 Joint Stock Banks	6,354,494

£32,090,556

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£475,000
1861—July 10th	175,000
1866—Feb. 21st	850,000

1,000,000

£33,090,556

Deduct Lapsed Issues—

England—	88 Private Banks	£1,845,415
"	20 Joint Stock Banks	907,895
Scotland—	1 Joint Stock Bank, combining two issues, namely:—	
	Ayrshire Bank	253,656
	Western Bank of Scotland	284,282

337,938

2,591,248

£30,499,308

SUMMARY OF PRESENT FIXED ISSUES

England—	Bank of England	£15,000,000
"	113 Private Banks	8,807,992
"	52 Joint Stock Banks	2,587,551
Scotland—	11 Joint Stock Banks	2,749,271
Ireland—	6 Joint Stock Banks	6,354,494

£30,499,308

*NOTE.—The number of Private Banks authorized to issue their own notes

in England, by the Act of 1844, was	207
Diminished in number by amalgamation	6
Lapsed Issues	88

94

113

† The number of Banks authorized to issue their own notes in Scotland, by the Act of 1845, was

Diminished in number by amalgamation	6
Lapsed Issues, as stated above	2

8

11

ENGLISH FUNDS.

	Price on April 20.	Highest.	Lowest	Price on Mar. 23.
Consols	95½	96½	93½	96½
Exchequer Bills	7/ pm.	12/ pm.	6/ pm.	11/ pm.

Bank Rate of Discount 2 per cent.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 82; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Feb. 24.	Mar. 3.	Mar. 10.	Mar. 17.
	£	£	£	£	£
1 Ashford Bank	11,849	9,448	9,287	9,260	9,155
2 Aylesbury Old Bank	48,461	18,831	18,508	18,016	18,291
3 Baldock and Biggleswade Bank	37,223	16,176	16,671	16,901	16,534
4 Barnstaple Bank	17,182	2,688	2,691	2,787	2,930
5 Bedford Bank	34,218	25,894	25,959	25,432	25,415
6 Bicester and Oxfordshire Bank.....	27,090	18,623	18,428	18,859	18,419
7 Boston Bank—Garfit and Co.	75,069	47,148	45,298	46,021	46,898
8 Bristol Bank.....	48,277	17,208	17,322	17,567	17,594
9 Broseley and Bridgnorth Bank.....	26,717	12,083	11,962	11,480	12,798
10 Buckingham Bank	29,657	18,890	17,729	18,143	17,871
11 Bury and Suffolk Bank	82,862	32,552	33,310	34,543	35,185
12 Banbury Bank	43,457	21,633	21,126	20,765	20,210
13 Banbury Old Bank	55,153	18,434	18,878	18,090	18,123
14 Bedfordshire Leighton Buzzard Bk. .	86,829	30,252	29,619	29,830	30,057
15 Brecon Old Bank.....	68,271	21,937	22,087	22,980	22,643
16 Brighton Union Bank	33,794	22,097	22,465	22,247	21,220
17 Burlington and Driffield Bank	12,745	11,582	12,097	12,277	12,149
18 Bury St. Edmunds Bank	3,201	859	855	925	1,005
19 Cambridge Bank—Mortlock & Co. .	25,744	12,600	11,932	11,552	11,601
20 Cambridge and Cambridgeshire Bank	49,916	33,271	37,979	38,030	38,778
21 Canterbury Bank	33,671	17,236	16,881	16,581	17,172
22 Colchester Bank	25,082	9,683	10,288	10,779	10,619
23 Colchester and Essex Bank	48,704	24,511	23,650	24,020	23,658
24 Cornish Bank	49,869	24,853	24,277	23,665	22,703
25 City Bank, Exeter	21,527	11,791	11,600	11,381	11,261
26 Craven Bank—Birkbeck and Co.	77,154	67,233	69,715	72,235	73,090
27 Derby Bank—Messrs. Evans and Co. .	13,332	9,575	11,127	11,144	12,199
28 Derby Bank—Smith and Co.	41,304	26,337	26,514	25,290	25,723
29 Derby Old Bank	27,237	25,534	27,509	29,035	26,374
30 Devizes and Wiltshire Bank	20,674	4,415	4,485	4,638	4,599
31 Darlington Bank	86,218	80,331	82,419	82,446	80,675
32 Devonport Bank	10,664	4,149	4,085	3,563	3,345
33 Dorchester Old Bank	48,307	31,695	30,629	31,454	31,868
34 East Cornwall Bank	112,280	71,095	70,709	69,400	70,881
35 East Riding Bank	53,392	51,448	51,276	51,933	53,286
36 Essex Bk. and Bishop's Stortford Bk.	69,637	34,288	34,796	34,543	34,763
37 Exeter Bank	37,894	14,998	14,291	13,975	14,549
38 Farnham Bank.....	14,202	5,516	5,446	5,412	5,438
39 Faversham Bank	6,681	4,395	4,154	4,093	3,858
40 Godalming Bank	6,322	5,899	5,705	6,053	6,297
41 Guildford Bank	14,524	10,195	10,180	9,370	9,100
42 Grantham Bank—Hardy and Co.....	30,372	15,969	15,193	14,657	15,109
43 Hull and Kingston-upon-Hull Bank..	19,979	18,880	19,383	19,119	18,923
44 Huntingdon Town and County Bank	56,591	21,498	21,583	21,589	21,353
45 Harwich Bank	5,778	8,835	4,425	4,619	4,372
46 Hertfordshire, Hitchin Bank	38,764	29,488	28,440	28,795	28,632
47 Ipswich Bank	21,901	15,727	16,009	16,289	16,014
48 Ipswich and Needham Market Bank .	80,699	44,733	43,861	43,627	43,259
49 Kentish Bank—Mercers and Co.	19,895	16,445	16,114	16,292	16,531
50 Kingston and Radnorshire Bank	26,050	16,316	15,957	15,394	16,696
51 Knaresborough Old Bank	21,825	18,499	18,963	19,595	19,875
52 Kendal Bank.....	44,663	43,753	43,637	43,477	43,000
53 Leeds Bank	180,757	125,150	124,527	123,717	122,310

NAME OF BANK.	Author- ised Issue.	AVERAGE AMOUNT.			
		Feb. 24.	Mar. 3.	Mar. 10.	Mar. 17.
	£	£	£	£	£
54 Leeds Union Bank	37,459	36,357	36,120	35,881	34,755
55 Leicester Bank	32,322	21,202	21,817	22,174	22,566
56 Lewes Old Bank	44,836	18,970	18,941	18,970	19,200
57 Lincoln Bank	100,342	89,644	90,492	91,673	91,626
58 Llandovery Bank and Llandilo Bank	32,945	8,889	7,449	6,725	7,979
59 Loughborough Bank	7,359	5,002	5,450	6,281	5,968
60 Lymington Bank	5,038	2,644	2,545	2,500	2,404
61 Lynn Regis and Lincolnshire Bank	42,817	24,085	25,127	25,978	28,920
62 Lynn Regis and Norfolk Bank	18,917	8,165	7,799	7,890	7,426
63 Macclesfield Bank	15,760	10,089	10,020	10,068	9,959
64 Miners' Bank	18,688	14,508	14,158	13,866	14,514
65 Monmouth Old Bank	16,885	1,705	1,720	1,574	1,711
66 Newark Bank	28,788	7,999	8,479	8,918	8,280
67 Newark and Sleaford Bank	51,615	32,800	31,565	32,470	33,192
68 Newbury Bank	96,787	10,572	10,502	10,410	10,450
69 Newmarket Bank	28,098	13,005	12,988	18,020	18,171
70 Norwich and Norfolk Bank	105,519	72,911	74,087	78,735	73,412
71 Naval Bank, Plymouth	27,321	20,754	20,501	20,218	20,918
72 New Sarum Bank—Pineknay Bros. ...	15,659	8,781	8,590	8,440	8,155
73 Nottingham Bank	31,047	30,934	30,799	31,230	29,823
74 Oswestry Bank	18,471	6,920	6,495	6,611	6,567
75 Oxford Old Bank	34,391	27,158	27,810	27,027	27,196
76 Old Bank, Tonbridge	18,188	10,749	10,468	10,384	10,046
77 Oxfordshire Witney Bank	11,852	5,917	6,019	6,259	6,545
78 Pease's Old Bank, Hull	48,807	48,765	50,015	48,805	47,688
79 Penzance Bank	11,405	6,355	6,468	6,178	6,215
80 Reading Bank—Simonds and Co.	37,519	18,681	18,980	20,408	20,233
81 Reading Bk.—Stephens, Blandy & Co.	48,271	22,490	22,460	22,651	23,054
82 Richmond Bank, Yorkshire	6,889	6,548	6,804	6,809	6,628
83 Royston Bank	16,893	6,979	6,975	7,365	7,492
84 Rye Bank	29,864	9,184	9,014	8,618	8,743
85 Safron Walden and North Essex Bk.	47,646	19,760	19,127	19,301	19,581
86 Salop Bank	22,338	8,780	8,880	8,653	8,543
87 Scarborough Old Bank	24,813	24,330	24,529	24,955	25,004
88 Shrewsbury Old Bank	43,191	21,933	22,310	21,993	22,601
89 Sittingbourne and Milton Bank	4,789	1,535	1,377	1,209	1,225
90 Southampton Town and County Bank	25,859	7,770	7,860	7,539	7,451
91 Stamford and Rutland Bank	31,358	11,037	10,465	10,290	10,505
92 Shrewsbury and Welchpool Bank	25,336	14,595	15,264	15,576	15,782
93 Tavistock Bank	18,421	8,296	8,742	8,323	9,138
94 Thornbury Bank	10,026	5,860	5,697	5,721	6,203
95 Tiverton and Devonshire Bank	18,470	5,150	5,090	5,015	5,598
96 Thrapstone and Kettering Bank	11,559	9,974	9,838	9,409	9,325
97 Tring Bank and Chesham Bank	13,581	12,547	12,750	12,920	12,881
98 Towcester Old Bank	10,801	5,315	5,194	5,644	5,474
99 Union Bank, Cornwall	17,003	3,799	3,546	3,837	4,302
100 Uxbridge Old Bank	25,136	4,495	4,647	4,710	4,761
101 Wallingford Bank	17,064	3,492	3,335	3,575	3,610
102 Warwick and Warwickshire Bank ..	30,504	22,033	21,986	21,479	21,512
103 Wellington Somerset Bank	6,528	8,914	8,403	8,458	8,368
104 West Riding Bank	46,158	44,292	45,891	46,899	47,293
105 Whitby Old Bank	14,258	11,701	11,294	10,970	10,624
106 Winchester, Alresford and Alton Bk.	25,892	8,057	8,487	8,112	7,962
107 Weymouth Old Bank	16,461	10,547	10,305	10,412	10,165
108 Wisbech and Lincolnshire Bank	59,713	28,676	28,430	28,875	28,097
109 Wiveliscombe Bank	7,602	1,587	1,797	2,064	2,251
110 Worcester Old Bank	87,448	37,408	37,155	36,982	37,446
111 Yarmouth and Suffolk Bank	58,060	34,776	34,600	34,272	33,525
112 Yarmouth, Norfolk, and Suffolk Bank	19,329	11,888	11,157	10,865	10,638
113 York Bank	46,837	39,847	38,879	38,436	37,333

JOINT STOCK BANKS.

NAME OF BANK.	Author- ised Issue.	AVERAGE AMOUNT.			
		Feb. 24.	Mar. 8.	Mar. 10.	Mar. 17
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	11,184	11,441	11,820	11,426
2 Barnsley Banking Company.....	9,563	8,771	8,902	9,122	9,086
3 Bradford Banking Company	49,392	45,814	45,705	46,560	46,051
4 Bank of Whitehaven	82,681	28,229	27,578	26,876	27,865
5 Bradford Commercial Banking Co. ...	20,084	20,059	19,551	19,625	20,069
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	41,425	41,874	42,424	43,064
7 Chesterfield & N. Derbyshire Bk. Co..	10,421	9,117	9,600	9,793	9,590
8 Cumberland Union Banking Co.....	35,395	38,028	33,884	34,021	34,875
9 Coventry and Warwickshire Bk. Co... ..	28,734	14,153	14,105	14,216	14,587
10 Coventry Union Banking Company ..	16,251	12,305	12,761	12,598	12,108
11 County of Gloucester Banking Co.....	144,352	84,070	83,595	86,060	84,568
12 Carlisle and Cumberland Banking Co..	25,610	20,515	18,981	19,771	20,618
13 Carlisle City and District Bank	19,972	19,837	19,946	19,924	19,765
14 County of Stafford Bank	9,418	7,806	7,308	7,201	7,099
15 Derby and Derbyshire Banking Co. ...	20,093	17,456	17,705	17,665	18,023
16 Darlington District Joint Stock Bk. Co..	26,184	26,043	26,440	25,275	26,022
17 Gloucestershire Banking Company ..	155,920	122,781	123,962	124,736	125,267
18 Halifax Joint Stock Bank.....	18,534	18,068	18,595	18,528	17,624
19 Huddersfield Banking Company.....	37,354	37,788	36,525	35,117	34,241
20 Hull Banking Company	29,333	31,136	30,465	27,850	27,595
21 Halifax Commercial Banking Co.	13,783	9,492	9,561	9,017	9,180
22 Halifax and Huddersfield Union Bank	44,137	32,759	32,770	31,360	31,068
23 Knaresborough and Claro Banking Co..	28,059	26,414	26,575	27,072	27,764
24 Lancaster Banking Company	64,311	65,216	63,100	62,742	63,184
25 Leicestershire Banking Company	86,060	65,243	65,168	68,762	69,930
26 Lincoln and Lindsey Banking Co.....	51,620	46,185	46,816	48,675	50,695
27 Leamington Priors and Warwickshire Banking Company	18,375	10,875	10,647	11,028	10,711
28 Ludlow and Tenbury Bank	10,215	8,787	8,345	8,615	8,885
29 Moore and Robinson's Notts. Bkg. Co..	35,813	36,331	35,472	35,348	35,306
30 Nottingham and Notts. Banking Co... ..	29,477	28,968	27,851	29,295	30,456
31 Northamptonshire Union Bank	84,356	56,566	56,837	56,425	57,012
32 Northamptonshire Banking Company ..	26,401	16,006	16,517	16,557	16,908
33 North and South Wales Bank.....	63,951	51,091	52,197	54,543	55,372
34 Pares's Leicestershire Banking Co. ...	59,300	50,974	49,964	50,370	50,085
35 Sheffield Banking Company	35,843	24,975	26,609	26,791	26,354
36 Stamford, Spalding & Boston Bk. Co..	55,721	43,597	43,639	43,770	43,859
37 Stuckey's Banking Company	356,976	297,595	301,277	307,668	309,186
38 Stourbridge & Kidderminster Bkg. Co..	56,830	43,079	41,570	43,345	44,463
39 Sheffield and Hallamshire Bkg. Co. ...	23,524	21,198	20,795	21,186	22,314
40 Sheffield & Rotherham Joint Stock Bk..	52,496	46,611	48,158	49,338	48,408
41 Swalecliffe and Wensleydale Bkg. Co. ..	54,372	48,920	48,991	50,039	50,942
42 Wolverhampton and Staffordshire Bk..	35,873	16,763	16,252	16,324	16,591
43 Wakefield and Barnsley Union Bank... ..	14,604	18,455	18,925	18,630	18,748
44 Whitehaven Joint Stock Bkg. Co.	31,916	28,527	28,302	27,668	27,898
45 West of Eng. & S. Wales District Bk..	33,535	66,903	67,682	68,877	68,569
46 Wilts and Dorset Banking Company... ..	76,162	73,064	74,142	74,451	74,698
47 West Riding Union Banking Company ..	84,029	33,265	33,108	33,202	33,425
48 Whitechurch and Ellesmere Bk. Co. ...	7,475	4,804	4,605	4,895	5,107
49 Worcester City and County Bk. Co. ...	6,848	1,466	1,075	1,141	1,125
50 York Union Banking Co.....	71,240	70,255	69,400	69,852	69,715
51 York City and County Banking Co. ...	94,695	92,655	93,457	93,092	92,970
52 Yorkshire Banking Company	122,582	121,204	116,856	117,530	118,284

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 17th March, 1877.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Bank of Ireland	8,738,428	1,896,375	1,173,875	3,070,250	578,000
Provincial Bank of Ireland	927,667	504,690	415,942	920,632	414,826
Belfast Bank	281,611	226,741	318,786	545,478	850,609
Northern Bank	243,440	217,012	306,862	523,874	391,654
Ulster Bank	811,079	404,280	407,506	811,786	610,128
The National Bank	852,269	866,022	591,275	1,457,298	905,198
TOTALS (Irish Banks)....	6,864,494	4,119,070	3,213,996	7,333,066	3,245,410

SCOTCH BANKS.

Bank of Scotland	348,418	214,462	440,188	654,645	488,711
Royal Bank of Scotland	216,451	232,406	451,814	684,221	619,848
British Linen Company	488,024	158,088	357,207	515,245	241,204
Commercial Bank of Scotland..	874,880	219,991	584,011	754,002	525,399
National Bank of Scotland	297,024	176,288	404,520	580,804	478,524
Union Bank of Scotland	454,846	246,965	494,287	741,202	448,458
Aberdeen Town & County Bank	70,188	97,198	111,688	208,882	181,723
North of Scotland Banking Co.	154,319	167,150	164,195	331,345	220,464
Clydesdale Banking Company..	274,321	181,826	880,801	512,627	377,488
City of Glasgow Bank	72,921	221,081	419,484	640,516	626,871
Caledonian Banking Company .	58,484	34,558	70,176	104,729	67,705
TOTALS (Scotch Banks)....	2,749,271	1,949,948	3,778,216	5,728,168	4,271,885

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING MARCH 17th, 1877.**

	Fixed Issues.	Feb. 24.	Mar. 3.	Mar. 10.	Mar. 17.
	£	£	£	£	£
118 Private Banks	8,807,992	2,817,322	2,818,201	2,823,399	2,821,177
52 Joint Stock Banks	2,587,551	2,163,863	2,158,081	2,176,364	2,183,631
165 Totals	6,895,543	4,480,685	4,476,282	4,499,783	4,504,808

Average Weekly Circulation of these Banks for the month ending Mar. 17, 1877:—

Private Banks	£2,390,026
Joint-Stock Banks	2,170,852

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,490,877

On comparing these amounts with the Returns for the month ending Feb. 17th last, they show:—

A decrease in the notes of Private Banks, of	£74,185
A decrease in the notes of Joint-Stock Banks, of	7,704

Total decrease on the month £81,889

And, as compared with the month ending Mar. 18th, 1876:—

A decrease in the notes of Private Banks, of	£255,162
A decrease in the notes of Joint-Stock Banks, of	85,885

Total decrease as compared with the same period of last year £141,047

The following is the comparative state of the circulation as regards the fixed issues:—

The Private Banks are below their fixed issues	£1,487,967
The Joint-Stock Banks are below their fixed issues	417,190

Total below their fixed issues £1,905,166

SUMMARY OF IRISH AND SCOTCH RETURNS TO MARCH 17th, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

Average Circulation of the Irish Banks	£7,333,068
Average Circulation of the Scotch Banks	5,728,163

Total Average Circulation of these Banks for the past month £13,061,236

On comparing these amounts with the Returns for the month ending 17th Feb. last, they show—

Decrease in the Circulation of Irish Banks	£280,692
Decrease in the Circulation of Scotch Banks	94,916

Total decrease on the month.. .. . £175,608

And as compared with the month ending Mar. 18th, 1876, they show—

Decrease in the Circulation of Irish Banks	£178,859
Increase in the Circulation of Scotch Banks	197,096

Total increase as compared with the same period of last year £18,259

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	6,854,494
11 Banks in Scotland, allowed to issue	..	..	..	..	2,749,271
17 Banks in all, allowed to issue	..	..	..	..	£9,108,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	£978,574
Scotch Banks are above their fixed issue	..	..	..	..	2,978,897

Total above the fixed issue	..	..	..	..	£28,957,471
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	£3,245,410
Gold and Silver held by the Scotch Banks	..	..	..	..	4,271,835

Total of Gold and Silver Coin	..	..	..	..	£7,516,745
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Being a decrease of £113,511 on the part of the Irish Banks, and a decrease of £67,101 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO MARCH 17th, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	Mar. 17.	Feb. 17.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 14th Mar.)	27,199,956	27,646,925	..	446,969
Private Banks	2,820,025	2,394,210	..	74,185
Joint-Stock Banks	2,170,852	2,178,056	..	7,704
Total in England	31,690,833	32,219,191	..	528,358
Scotland	5,728,168	5,823,084	..	94,916
Ireland	7,338,068	7,413,760	..	80,692
United Kingdom	44,751,569	45,456,085	..	704,466

The comparison of the month ending Mar. 18th, 1876, with the month ending Mar. 17th, 1877, shows an increase in the Bank of England circulation of £885,407, a decrease in Private Banks of £55,162, and a decrease in Joint-Stock Banks of £85,885, being a total increase in England of £694,860, while in Scotland there is an increase of £197,098; and in Ireland a decrease of £178,859. Thus showing that the month ending the 17th Mar., as compared with the same period last year, presents an increase of £694,860 in England, and an increase of £712,599 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending Mar. 14th gives an average amount in both departments of £26,658,306. On a comparison of this with the Return for the previous month, there appears to be a decrease of £20,554; and an increase of £3,197,881 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending Mar. 17th was £7,516,745; being a decrease of £180,612, as compared with the Return of the previous month, and an increase of £267,569, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share.	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	10½
Feb. Aug.	6 "	25	Alliance, Limited	10	13
Jan. July	" "	2000.	Anglo-Austrian	1200.	5
Mar. Sep.	10 p. ct.	20	Anglo-Californian, Limited	10	
May Nov.	" "	20	Anglo-Egyptian Banking, Limited	all	12½
Mar. Sep.	7½ p. ct.	20	Anglo-Foreign Banking, Limited	10	8½
Feb. Aug.	5 "	1000.	Anglo-Hungarian	all	
Mar. Sep.	12½ "	20	Anglo-Italian, 1866, Limited	10	
April Oct.	7½ "	40	Bank of Australasia	all	
" "	7½ "	20	Bank of British Columbia	all	
Jan. July	6 "	20	Ditto New, issued at £2 pm.	10	
Feb. Aug.	10 "	10	Bank of Constantinople	6	
" "	12 "	25	Bank of Egypt	all	20
Jun. Dec.	5 "	Stk.	Bank of Ireland	100	
Jan. July	10 "	20	Bank of Roumania	8	
April Oct.	12 "	25	Bank of South Australia	all	42½
Jan. July	15 "	60	Bank of Victoria, Australia	25	
Feb. Aug.	6 "	10	Bank of New Zealand	all	
Mar. Sep.	8 "	60	British North American	all	
April Oct.	8 "	10	Central of London, Limited	5	
Jan. July	8 "	20	Chartered of India, Australia, and China	all	
Feb. Aug.	8 "	25	Chartered Merc. of India, London and China	all	30½
Mar. Sep.	8 "	20	City	10	14
April Oct.	13½ "	100	Colonial	30	50
Jan. July	10 "	6	Commercial Bank of Alexandria, Limited	3	
April Oct.	4½ "	15	Consolidated, Limited	4	7½
May Nov.	8 "	20	Delhi and London, Limited	all	
Feb. Aug.	8 "	20	English Bank of Rio de Janeiro, Limited	10	
Mar. Sep.	8 "	20	English, Scottish, and Australian Chartered	all	
" "	" "	20	Franco-Egyptian, issued at 5 pm.	10	
Mar. Sep.	6 "	28½	Hong Kong and Shanghai Bank Corporation	all	31
Jan. July	6 "	50	Imperial, Limited	15	17½
April Oct.	8 "	20	Imperial Ottoman	10	3½
May Nov.	8 "	25	Ionian	all	
Jan. July	8 "	25	Ditto, New	10	
Feb. Aug.	16 "	30	Lend Mortgage Bank of India, Limited	5	1½
Mar. Sep.	16 "	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	
Jan. July	6 "	30	London Bank of Mexico & South America, Lim.	20	8½
Mar. Sep.	6 "	30	Ditto, New	10	
Jun. Dec.	8 "	20	London Chartered of Australia	all	
Feb. Aug.	16 "	60	London and County	20	61½
Jan. July	15 "	60	Ditto, New, 1874, iss. at 10 pm.	20	
Feb. Aug.	12½ "	10	London Joint Stock	15	47½
Jun. Dec.	4 "	100	London and Provincial, Limited	5	
Mar. Sep.	4 "	25	London and River Plate, Limited	40	
May Nov.	8 "	10	Ditto, New	10	
Feb. Aug.	8 "	30	London and San Francisco, Limited	all	
Mar. Sep.	8 "	30	London and South African	all	
Jan. July	8 "	100	London and South Western, Limited	20	
April Oct.	14 "	100	London and Westminster	20	61½
May Nov.	10 "	20	Mercantile Bank of the River Plate, Limited	all	2
Jan. July	12 "	100	Merchant, Limited	25	31½
Feb. Aug.	10 "	10	Metropolitan A } B receives no dividend until {	all	
" "	8 "	10	Ditto B } 10 per ct. has been paid to A {	all	
Feb. Aug.	8 "	10	Ditto, New, A	1½	
Jan. July	12 "	100	Midland, Limited	20	
Jun. Dec.	9 "	50	National	30	
Feb. Aug.	6/13/4 p. ct.	6	National of Australasia	4	
Jan. July	6 "	15	National of Liverpool, Limited	15	
Jun. Dec.	20 "	10	National of New Zealand, Limited	3½	3½
" "	20 "	20	National Provincial of England	21	
Apr. Oct.	30 "	12	Ditto, ditto	10	
May Nov.	5 "	10	Ditto, New, 1874, iss. at £10 prem.	10	
Feb. Aug.	4/3/4 "	20	New London and Brazilian, Limited	all	
Mar. Sep.	8 "	20	New South Wales	6	50½
Jan. July	10 "	24	North Eastern, Lim., iss. at 2 pm., already paid	7½	
Apr. Oct.	10 "	25	North Western	all	44½
Jan. July	15 "	100	Oriental Bank Corporation	25	
May Nov.	15 "	10	Provincial of Ireland	all	
Jan. July	12 "	100	Ditto, New	25	
Feb. Aug.	16 "	25	Standard of British South Africa, Limited	all	39½
Mar. Sep.	12½ "	25	Union of Australia	all	63½
" "	" "	60	Union of London	15½	41½

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

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THE NEW BANKRUPTCY BILL.

THE amendments to the new Bankruptcy Bill brought in to the House of Lords by the Lord Chancellor (Lord Cairns) have now been printed, and it has received its third reading in the Upper House. Whether the measure will be passed this Session is doubtful in the present state of public business, but in any case it is desirable to examine into it as it now stands. Neither the amendments made in the Bill, nor the principle on which the measure itself is founded, differ very materially from the Bill introduced last year. The main idea of the Act of 1869, the leaving creditors to administer the estate of the bankrupt themselves, is maintained. An important alteration in procedure is contained in clause 18, which places the appointment of the trustee in the hands of a committee of inspection, who are themselves to be appointed by the creditors at their first general meeting. This clause is intended to prevent the misuse of proxies in obtaining the appointment of trustee or receiver. Stringent regulations are also introduced for the same purpose in clause 134, which runs as follows:—

“Where it appears to the satisfaction of the Court, that any solicitation has been used by, or on behalf of a trustee or receiver, in obtaining proxies, or in procuring the trusteeship or receivership, except by the direction of a meeting of creditors, the Court shall have power, if it think fit, to order that no remuneration shall be allowed to the person by whom, or on whose behalf, such solicitations may have been exercised, notwithstanding any resolutions of the committee of inspection, or of the creditors, to the contrary.”

It seems hardly probable, however, that these regulations will prevent the root of the evil they are intended to meet, canvassing in order to obtain the appointment of the trusteeship. The power being removed from the general meeting of the creditors to the smaller committee of inspection, will only cause the contest to be transferred from the larger body to the smaller. The contest will now be for the election of the committee. Those persons who desire to be made trustees, will obtain, or seek to obtain, the appointment of their friends on the committee of inspection; when the appointment of their friends is secured, their own appointment will follow as a matter of course.

The latter portion of clause 18 also provides a loophole which will probably go a long way to neutralise the advantages which the new regulation appears to promise, if indeed it promises any, as to the appointment of trustees. The words are as follows:—

“Provided always, that if in any case by reason of the small amount of the property of the debtor, or of other special circumstances, the creditors at the first general meeting shall desire not to appoint a committee of inspection, they may appoint a trustee to act without a committee of inspection, provided that such appointment be confirmed by the court; and the trustee so appointed shall, in addition to the powers given to a trustee by this Act, have all the powers by this Act given to a committee of inspection, and his remuneration shall be determined by the court.”

Another new feature in the bill also affecting the position of the trustees is the regulation respecting their remuneration. This is to be found in clause 61.

“Where the assets under a bankruptcy petition or deed of arrangement do not exceed three thousand pounds, the allowances to be made to a trustee or receiver for remuneration shall not exceed the scale of allowance set forth in the second schedule to this Act, unless, upon special report of the committee of inspection (if any), or a majority in value of the creditors, setting forth the exceptional services which have been rendered by the trustee or receiver, or other special circumstances, the court think fit to order that additional remuneration may be allowed. Where the assets exceed three thousand pounds a fitting remuneration may be allowed by the court upon special report of the committee of inspection (if any), or of a majority in value among the creditors.”

This clause, and the scale of remuneration depending upon it, have given great dissatisfaction to trustees as a class. They state generally that the scale proposed is too low to be sufficient, and that it will not answer to undertake the administration of many

estates, particularly of the smaller descriptions, on these terms. This subject will be referred to further on. The fixed scale of remuneration is only intended to apply to trustees who are not solicitors. Clause 62 provides that "The committee of inspection may appoint a solicitor, but where the trustee or receiver is himself a solicitor, he may contract to be paid a certain sum by way of percentage or otherwise as a remuneration for his services as trustee or receiver, including all professional services."

The most important change in the method of procedure which remains to be noticed is contained in clause 63. It is intended to bring all unclaimed dividends and any outstanding assets which may not be distributed among the creditors, into the hands of the Government. The paragraph directing this is as follows:—"At the expiration of two years from the date of the provisional order, the trustee or receiver shall pay all moneys then in hand, and all moneys thenceforth received by him, into court in manner prescribed, unless under the special circumstances of any particular matter the court shall by order extend the time; and if he fail to make such payment, he shall pay interest at the rate of twenty pounds per centum per annum upon all sums which he shall so fail to pay in."

It will be more convenient to reserve the examination into the working of this clause, as of the one which precedes it, till later.

One of the regulations in clause 17 as to those entitled to vote in the first general meeting, will be of special interest to bankers. It is numbered 4 and runs as follows:—

"(4) A creditor shall not vote in respect of any current bill of exchange, or promissory note, held by him under discount, unless the persons liable thereon, antecedently to the debtor, are proved to be insolvent, or the creditor is willing to treat the liability of such of the said persons as are not insolvent as security in his hands, and deduct the value thereof accordingly from his proof."

This regulation, if carried, will impose on bankers the very unpleasant duty of valuing the security which a promissory note may be to them. The regulation as to the valuation of any other security they may hold, is often in practice inconvenient and scarcely equitable, as it is often difficult to determine absolutely what the value of a given security may be, but to have to put a value on the security of a name on a promissory note will work in a manner very unsatisfactory to those who hold this class of security, which has been, hitherto, one of the best which a banker could hold. If the clause passes it will compel a banker who may hold a promissory note signed by the debtor and, say, two other persons to state what value he places on the

signature of the parties to the note. These persons may be the banker's own customers, and it will be obviously most inconvenient to him to state publicly whether he considers them solvent or not. The words "or promissory note" have been inserted in the amended bill. They formed no part of it in the first stage, and it is to be hoped they may be expunged in the further course of the measure. The whole of the regulations respecting bills of exchange require remodelling. It would be more equitable to enact that bankruptcy should cause all current obligations to mature immediately than to declare that a creditor is to prove the insolvency of all persons liable antecedently to the debtor. As the clause stands it will be injurious both to bankers and bill brokers.

There is much reason to apprehend that if the present bill passes, proceedings will not be simplified in any important degree, that expenses will not be diminished, and that the dividends paid to creditors will remain as at present, unsatisfactorily small.

What then can be proposed? There are some points both in the principle and the practice under the existing law in which some changes might, it is thought, be advantageously made.

Trustees should be appointed in all cases, including arrangements for compositions, and the accounts should be brought under the control of the court. Should the compositions not be paid, the bankruptcy proceedings should *ipso facto* revive, and the estate be wound up in that manner without delay. The rendering of accounts to the court is necessary in order to enable the Government to collect unclaimed dividends in cases of compositions, which at present remain in the debtors' hands. It is obviously most unfair that the debtor should be benefited if any one of his creditors should omit to claim the dividend that is due to him. All these lapsed sums should be collected for the benefit of the Government, and a method for doing this should be provided in the bill.

It would be desirable to make bankruptcy compulsory in the following cases:—

1. If the private expenses of the debtor have been excessive.
2. If large sums of money have been lost by the debtor either by gambling, or by speculative operations on the Stock Exchange, or in goods.
3. If the debtor has made purchases of goods to resell them at a lower price than the market price in order to delay the moment of failure.
4. If a fraudulent preference has been given to any creditor.
5. If insufficient books have been kept.

The French commercial law is very stringent on these points; and it requires all traders to keep sufficient books.

Section 8 of the *Code de commerce* states that "Every trader is bound to keep a day-book (journal), which states day by day, what he owes and what is due to him, his business transactions of every class, the bills he has accepted or endorsed, and in general every sum that he receives and pays of any description; this book is also to contain a statement every month of the outlay on the expenses of the household; these statements must be kept besides any other books employed in the traders' business, which are not indispensable. The trader is also bound to file the business letters he receives, and to keep a copy of those which he sends."

Section 9 of the same Code states that the trader is bound "to make an inventory of his real and personal estate, of what he owes, and what is owed to him, and to make a copy of this every year into a register kept for the purpose,"

Other sections of the Code are arranged to prevent any fraudulent entries in the books the trader keeps; which he is also bound to preserve for ten years.

Some regulations of this sort might be highly beneficial. As matters stand, book-keeping at all is stated to be the exception, and not the rule, in the case of the smaller bankruptcies.

It might also be desirable to restrain traders from recommencing business on their own account till they have obtained their discharge, whether the proceedings have been in bankruptcy, liquidation, or composition. Power might also be given to the court to commence proceedings against the debtor as a fraudulent bankrupt in flagrant cases where the assets bore a very inconsiderable proportion to the liabilities. In these cases the debtor should be held *prima facie* to be liable to punishment as a fraudulent bankrupt, and the onus of proving his innocence should lie on him, and the decision of the judge of the local bankruptcy court should be sufficient without a jury. Some measures of this sort might, if they could be carried, promote the growth of sounder trading than exists at the present time.

It is also most desirable that the mode of proceeding as far as the accounts of the debtor are concerned, should be assimilated in all cases after insolvency is declared, whether the estate is wound up in bankruptcy, or liquidation, or a composition is made.

At present, in bankruptcy proceedings in the provinces, when a committee of inspection is appointed, the statement of accounts is made to the comptroller of bankruptcy in London, but when no committee of inspection is appointed the accounts are audited by the registrar of the local court. Thus, in the case of bankruptcies, the accounts are sent to the comptroller according to

two different methods, while in liquidations and compositions the accounts are not sent to the comptroller in bankruptcy at all, and in consequence in the last published report of that official, he is only able to make a rough estimate of their amount. This is in itself an undesirable thing. There should be one uniform plan. All accounts of provincial insolvencies of every description should be audited by the local court where the circumstances of the case are known. The final audit should be re-arranged, so that every voucher should be compared with the final statement of accounts. The auditing, as it is conducted at the present time, can scarcely be considered satisfactory.

These arrangements would throw more labour on the officials of the court; but if it is proposed that all unclaimed dividends as well as any other undivided assets should after a certain period be paid into the Bank of England, so that the accumulated balance may provide the means of meeting the expenses of the official proceedings, it is obvious that no other arrangement will be sufficient to secure that this is done.

No person whatever connected with the court should be allowed to be connected with the proceedings except in an official capacity as representing the court of bankruptcy. No officer connected with the court, nor any clerk to any officer should be allowed to act as trustee. This should apply to the clerks of registrars and deputy registrars as well as to those officers themselves, and to every officer. It would be best that the registrars of the county courts should not be allowed to practise as solicitors at all. This would of course require a remodelling of existing arrangements, but a sufficient salary would provide proper compensation. It is obviously most undesirable that any taxing master should be in practice. Though this would cause some expense at the outset, yet in the end it would be a very desirable proceeding. There are some other points of detail which it would be well to attend to. It would be quite sufficient to allow a proof of debt for a small amount to be made before a trustee. There seems no reason why the law as it stands at present should be altered, which allows an affidavit to be sworn before a Justice of the Peace, or in case of proof of debts, before the trustee of the property of the bankrupt. This is contained in section 25 (1) of the Bankruptcy Act, 1869, and rule 157 Bankruptcy Rules 1870. The stamp on initiating bankruptcy proceedings is now the same sum whatever the amount concerned may be. A progressive scale appears more equitable, and the cost of the stamp whether in liquidation, composition, or bankruptcy proceedings should be assimilated. With regard to the scale of payment to the trustee the principle of payment by results might be resorted to. There is now no

inducement to a trustee, beyond the fact that he may gain a character for realising estates advantageously, and this under existing circumstances is hardly likely to be much inducement, to endeavour to pay a larger dividend to the creditors. A sliding scale might be adopted on the principle of a larger percentage to the trustee in proportion to the rate of dividend he obtained for the creditors. The scale proposed in the bill might be taken as the rate to be paid when the dividend was 2s. 6d. in the £, with a proportionate increase as the dividend was augmented, graduated in such a manner that if a dividend of 15s. or above in the £ were paid, the rate of payment to the trustee should be doubled. Power should also be taken to allow the trustee a sufficient payment in cases where the labour required in realising the estate was very great, or where, in the opinion of the court, the existing scale did not afford a suitable remuneration. A separate arrangement would also have to be made for the payment of trustees in cases of composition, should trustees be appointed in these cases.

WHAT NATIONS HAVE TO LOSE BY GOING TO WAR.

TIMES are changed. We live in an age when wealth is so ramified and intertwined amongst different nations, when it is invested in so many *international* undertakings, when a disaster in one country often means great loss to the inhabitants of another, when the interests of people are so strongly united by millions of small links, and property is everywhere so much more valuable than used to be the case, that events in earlier history can scarcely serve to teach us what the results of war would now be, because of our altered circumstances,—because of the existence of this vastly increased wealth. Formerly, riches were accumulated in some few corners so to speak of the earth; now they are spread over all parts of it, or at least their owners are. Formerly, if you attacked Athens you threatened the property of Athenians only. Now, if you attack London you do incalculable damage not only to Londoners but to every one abroad—and there are enormous numbers of persons so placed—who keeps his property in London, who trades with London, who receives remittances from it, or settles his money transactions there. The interests of peoples are now so closely intertwined that even amid outbursts of popular passion they still sometimes preserve a view to those interests. An adventurous ruler in the modern civilised world, who wishes to conquer a nation or annex a province, always finds a repressing force in the growing aversion of his people

from ruinous wars. He may hurt an enemy, but at the same time ruin some of his own subjects at home by the success of an ambitious *coup* abroad. The French war between 1792 and 1815 cost us fifty millions a year, besides damaging most seriously our foreign trade during that period. We had enough of the ambition of princes, and since then the nations of Europe have sometimes considered what they risk when going to war, though even the prospect of all they had to lose has not seldom been insufficient to restrain overweening ambition.

If we have reached the millennium, then it may be asked, Why is our wealth put into such a form as ironclads, arsenals, and forts? Why do our South Staffordshire mines yield useful iron which is only to decay on the coasts in the shape of a heavily armoured monitor? And why is the hardly-got lead from Cornwall to be shot into air at Shoeburyness for the training of certain servants of the nation who are paid to do so in case some foreign soldiers or sailors should have to be killed some day? If our wealth protects us from war, why should we be at the expense of wasting our property in so unproductive a manner? Is science for ever to be diverted from good work in order that it may discover more murderous weapons, more fearful engines of war, more destructive methods of killing than have been invented in each preceding year? Surely, it will be reasoned, if the mutual prosperity—the international wealth—which now exists, is of avail in repressing the desire of mutual destruction amongst nations—surely this waste of capital is unnecessary. The answer is that the millennium has not yet arrived. It will, of course, be remembered that the wealth of nations is not an equal quantity. Some have a poor soil, an adverse climate, a rebellious population, a decrepit manufacturing system, together with an expensive system of government. Others have perhaps a limited area, a wealthy and peaceful population, and a government conducted with but little proportionate expenditure of the income of the people. There is therefore at present no question of a millennium of equal wealth and universal peace. The pacifying effects of wealth can be but indistinctly felt. We may now, with advantage, go a little more fully into the modes in which the possession and spread of wealth link nation and nation together.

So few as twenty years ago, the world—more especially the civilised and mercantile world—was not nearly so rich as it now is. Free trade had not then given the impetus to almost unlimited production which has now filled the right markets with the right goods, and brought within the reach of moderate people the wares which manufacturers have found it most pro-

fitable to make up out of the raw material, which in turn only wanted a free market to come to. Both the production and the productiveness of the earth have been increased to a marvellous extent, and the division of labour has, in making that labour more efficient, also made one country more dependent on another.

With the growth of the riches of free-trading nations there has been an equal increase in the wants of the individuals composing them. The wheat harvest used to be a matter of comparative life and death to the annual progress of England, but we now think little of the simple bread of life; we fix our attention on something more, and look upon wheat as a mere item. We want coffee, and tea and sugar, all of which we consume as if they were necessities and not the luxuries our fathers thought them. And they *all* come from abroad. Part of our bread we raise at home—perhaps a half of our yearly consumption, but probably not so much—but we look to Mincing Lane for our “breakfast table.” So to speak, we go to the West Indies for breakfast; and though we stay at home for dinner, yet we cannot think of the plain home-grown beef without sauces and condiments, foreign cuisine and tropical produce; whilst we go to the East for Chinese tea, and should not now be able in the least to make up our minds to do without it. War, or certain kinds of war at least, would annihilate Mincing Lane. Our ports would be blocked, our breakfast table devastated. Depend upon it, we should think twice before beginning such a war.

With the growth of the wealth of nations, too, there has also been a growth in their credit. This credit has been made use of, and we find few countries which have not accumulated a national debt of great magnitude in proportion to their resources. A debt cannot be called a species of existing wealth, because it only represents money which has been spent, but it has a market value nevertheless. The “holders” of a national debt—the possessors of English Consols for instance, or the French *rentiers*—know that a war may bring about a fall in the price of their stock, and may even make it valueless. Thousands of investors in England hate the idea of a war with Russia, because the least rumour of such a thing makes them poorer. A telegram in a morning paper, relating to the movements of an ambassador at St. Petersburg, is looked at with interest by such investors, and very likely with alarm, if they see anything unusual in the telegram. They fear that the stock, which was, say, ninety when they bought it, may have fallen lower when they want to sell it. They will probably add their voices to a policy of peace, because they know that war would mean damage

to their own interests, if to those of no one else. Of course, the holders of foreign stocks here may be a small minority, and therefore the pacificatory voices of that kind weak, but it will be remembered that not only do we hold foreign stocks but foreign capitalists hold English securities. Investors have a large market to choose from and they come from all parts of the earth to make their choice. Under the new state of things, in throwing stones into another garden, you cannot tell whose property you are injuring; you may pull down a house without knowing who has a mortgage on it; you may ruin a trade without in the least suspecting whose money it is which conducts it. In making war on a foreign country you may destroy a railway, you may desolate its neighbourhood, you may stop its traffic and end by making bankrupt some of your own countrymen instead of the nation you think you are injuring.

National debts, too, have a tendency to repress warlike aggression in a less direct manner than that just pointed out. As we have seen a debt is really no species of wealth in itself; it is the reverse. A debt could, of course, never have been incurred if wealth had not existed to be lent. But if you take over a country, debts and all, you find the value of your acquisition considerably lessened by having to discharge those debts or else pay interest on them. The United States government would hardly care to be saddled with the debt of Mexico, although the annexation of Mexico might in other respects be desirable; for the possession of that state by America, would bring forward a complicated set of demands for satisfaction by the creditors who have hitherto tolerated the repudiation of Mexico, because of its assumed inability to pay.

Further, there is no government which has not some more or less disaffected part of the population to manage. England, for instance, in the case of certain wars, would some time ago have been embarrassed, instead of assisted, by Ireland. The Irish patriots would have helped our invaders if they saw a chance of advancing their own ends. But that is now changed. A poor dependency is very likely to be a discontented one. We do not now consider the Irish a hostile race, although Ireland is not yet as wealthy as Scotland. Yet there is none of that ground-down poverty which inclined every cottier in times gone by to ascribe his wretchedness to English greed. He has still to compare poverty on his side, to wealth on the other side of the Channel, but the contrast is less striking than it was, and he has better means of lessening it than ever.

When congestion takes place, the flow of blood to one particular part of the body drains from the various members their

proper supply of it. When the blood returns to the heart, and stays there, decay sets in at the extremities. The shock of war is very apt to stop the free circulation of commercial blood. Money leaves the distant lands, whither new schemes or bold enterprises have attracted it, if the safety of that money is in question. It returns to London, or some other great market, from whence it was borrowed. It is to the interest of all the world to prevent such shocks, for great loss must result from the impediments to active commerce which are caused by a want of money. When the Franco-German war broke out, money became very cheap in London; for, instead of circulating in the usual directions, it was turned back to the great central reservoir, and stopped there stagnant. The actual presence of war stopped trade in some parts of the continent, and the fear of it checked business more widely still, that fear operating to drive away the funds which had been previously lent to traders, or had been invested in trading enterprise. It is needless to stop to point out how necessary money is to the conduct of all commercial operations, that is a fact English capitalists are well aware of. We allude to the disturbance which war makes in the money market, merely in order to again point out, by means of that allusion, the antagonism existing between a state of commerce and a state of war.

And the spread of commerce, the growth of *trading* wealth which is intertwined amongst the family of trading nations, takes still stronger hold of the members of that family, and unites them more firmly because of the numerous refinements of system on which commerce is now conducted. We have already endeavoured to show how widespread, how interconnected is the trading wealth of all countries, and there is one of the most powerful, though subtle, causes of that interconnection yet to be enumerated. We just now said that you may pull down a house without knowing who has a lien on it, or ruin a trade without knowing who are the sleeping partners in it. We might add that it is very easy to confiscate property without knowing who has a bill on it. Similarly, we may find ourselves occupied in a single-minded attempt to cripple an enemy, quite unconscious of the damage to our trade at home. At the present time—in the present age we might better say, for the change has been most remarkable during the past twenty years—these ramifications of property among nations have greatly increased. London has become the metropolis of the financial world, and commercial nations are the provinces. In Mill's *Principles of Political Economy* will be found an extract from a work by the late Mr. Henry Thornton, in which is

described the credit system as it stood in England at the beginning of this century:—"Let it be supposed that there are in London ten manufacturers who shall sell their article to ten shop-keepers in York, by whom it is retailed, and that there are in York ten manufacturers of another commodity, who sell it to ten shop-keepers in London. There would be no occasion for the ten shop-keepers in London to send yearly to York guineas for the payment of the York manufacturers, and for the York manufacturers to send yearly as many guineas to London. It would only be necessary for the York manufacturers to receive from each of the shop-keepers at their own door the money in question, giving in return letters which should acknowledge the receipt of it; and which should also direct the money lying ready in the hands of their debtors in London, to be paid to the London manufacturers, so as to cancel the debt in London in the same manner as that at York." In the place of York, imagine New York, or Paris, or Vienna, or Yokohama, and you will then to some extent conceive what London is to the rest of the world. If American merchants want to pay for goods sent from China, they settle the transaction by a "bill on London;" if a firm in Lyons has a bill on a St. Petersburg firm, this bill very likely goes to London to be settled and balanced off against perhaps some other bill from a widely opposite source. The growth of trading wealth, it will therefore be seen, is accompanied by expedients which hold the world together; a system has grown up which makes merchants cosmopolitan in their transactions if not in their feelings also. A violent rupture of that system in *any part* is naturally disliked by all those who make use of it, and rely upon it, in order to conduct their trade economically and profitably.

While referring to Mr Mill, we may also see how he supports us in another manner, when he alludes to a law of "perpetual overflow of capital into colonies or foreign countries, to seek higher profits than can be obtained at home." This helps us to see how it is that there is not only growth of wealth in the present day, but there is also an increased disposition in that wealth to spread rather than remain in one spot and in a state of congestion. Capital goes abroad with the result largely of founding agricultural colonies, or stimulating the agriculture of foreign countries. Here in England we want nearly all the room we can spare at home for factories, mining appliances, counting-houses, warehouses, &c. We no longer cultivate the land as our main reliance; but instead, turn half our fair country into a smoky workshop and, for the most part, leave agricultural work for those distant lands which we have called the provinces.

We no longer, if the manner of speaking is allowable, keep a dairy on the premises, but go to North America for cheese; we continue to fatten our flocks and herds at home, but we get the food for so doing from abroad. The division of labour has made England the great centre of manufactures, and has made England in turn dependent on nearly every foreign country for supplies. From a calculation made by the Commissioners of Customs, it appears that our wheat crop in 1875 was valued at £21,823,950, while the value of the wheat and wheat meal imported was £32,380,726. This estimate is arrived at by taking the average yield per acre in the United Kingdom at 22 bushels, and multiplying it into the recorded average price for the year; and it is quite sufficiently exact for our purpose. This is a striking instance of our great dependence on foreign supplies, but we can best show how inter-dependent nations have become by taking a few figures from the Board of Trade returns of imports and exports for the year 1875. These figures need hardly be accompanied by the following remark. What comes from one country to us is not always kept here and balanced by an export, on our part, of our own produce; on the contrary, what we bring from the south is very often, after passing through a mill of some kind, spread it may be over the north; the raw material which comes here from western countries is very often sent to the east in the form of manufactures. Therefore a country to which we supply goods does not altogether rely upon us for a continuous supply of them, but indirectly looks to a prosperous state of the countries producing raw material to supply the former with the goods we make up. For instance, when the American war took place, the consumers of Manchester cotton goods—and those consumers were widely spread over many countries—felt the ill effects of it. Every month of war in the States, by stopping the export of cotton, inflicted increased poverty not only on the manufacturers of cotton goods here, but the consumers of cotton goods nearly everywhere else. But these figures will at least show the extent and the variety of the trade which centres here from all parts of the earth.

Country.	Value of	
	Imports from	Exports to (not including re-exports) In 1875.
Russia	£20,851,000.....	£8,082,000
Sweden Norway	8,918,000.....	4,538,000
Germany	21,672,000.....	23,292,000
Holland	14,863,000.....	13,122,000
Belgium.....	14,865,000.....	5,784,000
France	46,720,000.....	15,340,000

Country.	Imports from	Value of Exports to
		(not including re-exports) In 1875.
Spain	£8,651,000.....	£3,429,000
Spanish West Indies	3,642,000.....	2,631,000
Turkey	7,103,000.....	6,939,000
Egypt.....	10,823,000.....	2,916,000
United States	69,548,000.....	21,874,000
Brazil.....	7,406,000.....	6,867,000
China.....	14,773,000.....	8,526,000
India	37,778,000.....	27,291,000
Australia	20,538,000.....	19,482,000
Canada	9,560,000.....	8,407,000
British West Indies.....	5,383,000.....	2,187,000

It is impossible to conduct any discussion on what we have called international wealth without looking at the shipping itself which carries our goods from country to country. The damage done to the shipping interest by a war is not very apparent at the outset, for when troops and stores have to be moved freights go up and the profits of ship-owners increase immensely. We incline to think, however, that such advantages would be quite temporary, and would, on the whole, be outweighed by the diversion of trade and trade-routes, if not the permanent stoppage of much of the sea traffic for which special ships had been specially built. Rates of insurance, to cover war risks, always fly up on the first hint of danger, and the profits earned by ships would be curtailed even if not turned into actual loss by diminished employment. Ceaseless activity is said to be the only thing which can make a steamer "pay." The shipping interest, we should say, is permanently rather on the side of peace, especially between maritime nations, for they have common ends in so far as the spread of international commerce is concerned. Viewed as an international link, the growth of merchant shipping should be weighty on the side of peace. It is not necessary to show how largely merchant shipping has increased, but we can point to the Suez Canal as an instance of the solidarity of interests which the shipping trade has been instrumental in bringing about. Few nations would, except under the greatest pressure, agree to have that short cut to the East blocked up by war. European countries which used to come to London for supplies, can now fetch them themselves, *viâ* the Canal, some months—four months and a half is the calculation—sooner than such supplies were in former times brought only as far as London. The Suez Canal is a monument of international interests.

Another valuable element on the side of peace, which is possessed by a large mercantile navy, is the fact that on occasion

it can be armed for defence. What country would attack England by sea, knowing that 2,000 heavy steamers were capable of arming in defence of the liberties and commerce of this country? Unlike most other so-called war resources this is one which would almost exclusively be used in defence, and is not of the kind which stimulates the hostilities it is nominally created to repress.

Lastly, we come to the spread of wealth as it affects our education. Nations without the recklessness of poverty are not likely to go to war rashly. Individuals are not likely to clamour for war if they have something to lose by it. The spread of wealth should be the spread of wisdom. It may be well enough to educate the masses to abhor war on its own account, but it is better to educate the growing masses into an interest which is averse to war. To take a vagabond, for instance, out of the streets and refine his mind to a perception of the horrors and follies of war will no doubt be, to a certain minute degree, effective in stopping warfare, but the effect on his mind and his subsequent political propensities would certainly be more effective if his education were such that he could acquire property himself and so rejoice in an interest which would awaken him to a keen sense of those horrors and follies.

THE GILBERT LECTURES ON BANKING.

DELIVERED AT KING'S COLLEGE, LONDON (SESSION 1877),
BY PROFESSOR LEONE LEVI, F.S.A., F.S.S., of Lincoln's Inn,
Barrister-at-Law, Doctor of Political Economy.

COMMERCE AND BANKING IN ITALY IN THE MIDDLE AGES.

FULLY to appreciate the value of the lessons which the history of banking is apt to teach, we must have a clear conception of the condition and progress of commerce, of which banking is the fit handmaid and auxiliary. The high position which banking has acquired in our time is only the reflex of the wonderful development of trade, of the large increase of wealth, and of the diffusion of economic knowledge. Vast, indeed, is the difference between banking as exhibited when money was deposited in the temples of Apollos at Delphi, and Olympia in Greece, when the Argentarii and Mensarii had their dealings in money at Rome, when the banks at Venice and Genoa flourished in the Middle Ages, and banking as practised in

London and Paris, in Hamburg, Berlin, and New York at the present day, but vaster still is the difference in the character and extent of commerce in times ancient and modern. Times have changed and institutions are changed also. Why then go back, you may ask, and devote any part of our studies to banking in the Middle Ages? Simply because, as Carlyle said, not only under the green foliage and blooming fruit trees of to-day there lie, rotting slower or faster, the forests of all other years and days, but the leafy, blossoming present time itself springs from the whole past remembered and unrememberable.

Our theme this evening is the Banking and Commerce of the Italians in the Middle Ages. The Italians have long preceded the Hanse towns and the British in the way of commerce and banking. How many industries have they introduced throughout Europe? How many of those institutions which now form the life-spring of commerce came, in reality, from the shores of the Mediterranean, or the lagunes of the Adriatic. In immediate connection with the East, the Italians were the first to draw westward those articles which Egypt and Syria have always contributed to European taste and luxury, such as spices, silks, precious stones, and pearls of considerable value. These articles, by the most indirect and circuitous route from the interior of India to Goa, from Goa to Aden, by caravan and river navigation, were introduced into Italy, and thence, by the Italians spread throughout Europe. Their ships brought them as far as the Hanse towns, and their mercantile houses traded with them in the chief marts of merchandise, whence they drew wool, and flax, and other raw materials, which they manufactured and sent to India and the East.

But what difficulties had the Italians to meet in the prosecution of such a trade? Look at the anarchy which prevailed throughout Europe, and at the continuous hostilities and jealousies which existed among the different states and republics, however near to each other. Think of the absence of roads, insecurity of inland communication, dangers of maritime commerce, want of credit, and want of capital, and think of the absence of all those elements which now give so much vitality and so much impulse to trade. Commerce was indeed adventurous. There was no marine insurance and no steam navigation in those days. The merchants were not backed by a formidable power ready to defend them against any exaction. Every inch of ground they gained, every adventure they realised, was of itself a triumph. That with such difficulties and at so much peril, the Italian merchants should have been able to carry on so large a trade is truly wonderful, and we can only ascribe it to qualities

personal to the people themselves—to indomitable perseverance and to well-directed energies. Unfortunately, the Italian republics partook far too much of the spirit of the times. Their enterprises were all begun and ended under the shield of brute force. Nor did they recognise any of those bonds of amity and common interest which should bind together sister communities. We have heard in recent times of keen competition and ill-repressed feelings of commercial rivalry, as if each branch of trade could advance its own prosperity at the expense of all other branches, but what is such competition as compared with the hostilities between the Italian republics? In their frantic eagerness for gain, and in their thirst of conquest and aggrandisement, they seemed to have forgotten all ties of a common nationality. And whilst they strove to injure each other, they procured in the end their own destruction.

We shall not dwell, however, upon the political feuds of the Italian republics, the cause, alas, of so much disunion, weakness, and suffering for centuries and centuries. What we have to do is to observe the expansion of their commerce at a time when other nations in Europe were comparatively sunk in ignorance and barbarism. Amalfi is the most ancient of Italian republics. In the days of her prosperity she had a large population and a considerable shipping. She had direct relations with the Levant, and in the year 847 she was sufficiently strong to protect Rome from a threatened invasion of the Saracens. It was Flavio Gioja, of Amalfi, who brought into use the mariners' compass, and her laws of navigation, the "*Tavola Amalfitana*," were extensively adopted by the Mediterranean republics. The Amalfitan merchants had factories at Palermo and Syracuse. They traded with Durazzo and Constantinople; they visited Cairo, Alexandria, and the ports of Syria. Amalfi was the entrepôt of merchandises from India, Arabia, Egypt, and Europe. Her money, the *Tari*, was an instrument of exchange in great esteem. But Amalfi excited the jealousy of Pisa, and she succumbed before a Pisan fleet. Pisa herself, however, after having taken a great part in the Crusades, after having been a living, stirring city, and opened her port with characteristic liberality to all people, whether Christians, Moslems, or Jews, and after having enjoyed considerable prosperity, became an early prey of Genoa. Genoa was for a considerable time the most formidable rival of Venice. Genoese ships were the first to pass the Straits of Gibraltar, and in 1316 they came as far as London. Though the Venetian Marine was more numerous and better constructed,

the Genoese had abler and bolder sailors. But Genoa was miserably governed. The Constitution was always changing. Party quarrels were frequent, and her commercial policy was intolerant and narrow-minded. Had Genoa had as good statesmen as she had merchants and sailors, she would not have refused the offer of Columbus, and she might have mastered events which speedily caused her prostration. Florence succeeded Pisa, but not possessing the advantage of a maritime position favourable to the foreign trade, she gave herself to the development of her manufacturing industries. She was not prepared, however, to continue outside the pale of those maritime exploits which imparted so much lustre to her sister republics, and having acquired by purchase the possession of Leghorn, the Florentines organised a great expedition to Alexandria, to secure for themselves the franchises which the Pisans had heretofore enjoyed. It was a great event for Florence, when two large galleys and six guard-ships sailed from her port with two ambassadors and a dozen sons of the first families of Florence on board. And they succeeded grandly in their mission, so much so that as a memento of the triumph gold florins were first struck at Florence—the Florino de Galea—which was received in different States as a type of good coinage. But though the franchises were obtained, and industry acquired large proportions, Florence never did shine on the sea, and she was beaten by Venice. The Florentine jealousy for Venice was ridiculously outspoken. A Florentine author of the fifteenth century, in answer to some criticism on the industries of Florence, said, “You should know that we have two corporations more respectable and nobler than any that can be found in your Venice. They are manufacturers of woollen and cloth—well-known at the Courts of Rome, Naples, and Sicily, where the Florentines send their merchandises, and where they have banks, factories, and consulates. As for silk manufactures and brocade of silver and gold, we manufacture more of them than all your Venice, Genoa, and Lucca. Ask your merchants, who frequent Marseilles, Avignon, Lyons, Genoa, Bruges, Antwerp, and London. They will tell you that everywhere they find magnificent banks and exchanges, respectable merchants, churches, and consulates, belonging to the Florentines. Such banks as Medici, Pazzi, and many more, whose names would fill our pages, do not trade in hosiery, fringes, and glass, but in ducats, brocades, and cloth.”

The tale of Venice is an interesting one. As early as the year 450 of the Christian era, she was founded as an island by the inhabitants of Aquilea, who sought refuge on the sea

and the lagunes of the Adriatic from the ferocious hordes of Attila. Driven by necessity, like the Dutch, to derive their subsistence from navigation and commerce, and with no other resources than the production of salt and the fisheries, the Venetians gave themselves to traffic and navigation with characteristic ardour. So great, indeed, was the security with which they carried on their trade amidst the devastation of all inland States, that they attracted both colonists and capital from distant lands, whereby the island speedily became rich and populous. The progress of Venice was quite magical. Scarcely had she emerged from a position of isolation and indigence than she entered into active relations with the Levant, obtained many privileges in the East, acquired considerable territorial privileges, secured the free navigation of rivers for her ships, and established for her people a reputation for bravery, industry, and self-restraint, too seldom associated with power and prosperity. Her ships were not only the most numerous both on the Mediterranean and the Black Sea, but the best constructed and best manned and commanded, and in their engagements with the Arabs and pirates, Venetian ships were uniformly successful. Small indeed was the Venetian fleet of the Middle Ages as compared with the British navy or the British mercantile marine at the present day. At most 3,000 in number, their tonnage was small, full three-quarters of them being from 10 tons to 100 tons burthen. But they were most active. You might imagine yourself in London or Liverpool, as you read in Dante what was going on in the Venetian dockyards:—

In the Arsenal of Venice boils
Tenacious pitch in winter, to repair
The bark disabled by long watery toils;
For since to venture forth they are afraid,
One here a vessel builds, another there
Caulks that which many voyages hath made;
One strikes the prow, one hammers at the poop,
One mends a main, and one a mizen sail,
One shapes an oar, another twists a rope.

And proudly did Venice assert her title as the Mistress of the Sea. Daring sailors as they were, the Venetians did not claim dominion on any part of the sea, but when the Doge Sebastian Zani returned from his naval victory over the fleet of the Emperor Barbarossa, he was flattered by the presentation from Pope Alexander III, of a chain and ring, and an address, couched in such strains as this,—“ Use this as a chain to hold the waves in subjection to the empire of Venice; with this ring espouse the sea, and hereafter, in the same manner every year,

let the celebration of this marriage be renewed by you and your successors. By this ceremony, posterity will learn that your arms have acquired the vast dominion of the waves, and that the sea is subject to you as the wife is to her husband." The Venetians, obedient to the Pope's will, annually performed with great pomp the ceremony of espousing the sea, and continued to do it during the whole time of their independence and prosperity, and until the treaty of Campo Formio, confirmed by that of Lunéville, between France and Germany, dissolved the happy marriage. Never was Venice more sure of her supremacy, and more confident in the progress of her trade, than towards the end of the fifteenth century. Various manufactures had settled within her provinces. The silk manufacture was important; the manufacture of arms, jewellery, wax, soap, perfumery, and glass, each acquired considerable reputation. Venice never thought that the day would come when her practical monopoly of the trade with the Levant, the chief source of her prosperity, would be suddenly taken from her. The idea that the opening of a maritime route round Africa would take away their Indian commerce, did not enter the minds of the Venetians, even when the route was actually discovered. What all the world saw, they could never believe, and when they began to feel the effect of the new revolution, instead of putting themselves in advance of other nations, they doggedly pursued the old and exploded track. Their eyes were not open till all was lost, nor did they realise their altered position till the discovery of America, following so close the rounding of the Cape of Good Hope, transformed entirely the commercial relations between the different parts of the world.

Such was the commerce of the principal commercial cities of Italy in the middle ages, and what were their operations of banking? In the middle ages, banking was restricted to deposit and money changing. When traders came from distant quarters laden with coins of every shape and value, the municipalities found it useful to establish "mounts" or public treasuries where merchants might deposit their specie and bullion, and for these transferable receipts were given, which proved of great convenience to the community, nor was it a small advantage for the merchants to be able at once to exchange the different coins they brought, into a currency of a uniform value. The invention of bills of exchange was of later date, but that greatly extended the operations of banking. Gradually, indeed, two descriptions of banking began to be prevalent, one of a public character for money changing, acceptance of deposit, and transfer of accounts; the other of a more private character, consisting of the lending of money and discounting of bills. For the former, the state or

rather the municipalities, became guarantees, but for the latter, the responsibility wholly rested on the shoulders of the lenders generally, either Jews or Lombards. The Lombards were the representatives of the Longobards, who settled in Italy after the fall of the Roman empire. In the year 590, they wore loose garments, mostly of linen, having large seams and interwoven with various colours; their shoes were open almost to the toes, and buttoned or laced together. But in time they assimilated themselves to the habits of other people. Look at these Lombards, as the merchants of the four Italian Republics of Genoa, Lucca, Florence, and Venice, continued long to be known. They were merchants and bankers. How rich they were! They lent large sums to Sovereigns, as our financiers are wont to do at the present day. Edward III. when travelling through France in 1329, had recourse to the Bank of the Bardi for a loan of 5,000 marks, and for it he gave an acknowledgment of 7,000 marks. Between England and Italy many a bill of exchange passed in those days. The Record Office recently published some copies of bills protested in London; and they are interesting as vividly bringing before us the trade and the traders of those days. One of these was a bill drawn on the 26th September, 1442, by Francesco Venier and Brothers, sons of the late Santo, at Usance, on Obertino de Bardi and Company, in London, and payable to themselves, value received in Venice, from Chosmo de Medici and Company, and to be placed to the account of Marino Velliero, at the exchange of 44½ sterling per ducat; and the protest is signed by the notary public, Nicolar Acon, by imperial authority, on the 31st December, 1442, Anglican style, *secundum cursum et computationem Ecclesiæ Anglicanæ*. Mark, I pray you, some particulars of this protest. The Bardi was one of the well-known Lombard houses; Chosmo de Medici, one of the great house of de Medici, was at that time residing in Florence, after having been at Venice for three years, from 1433 to 1435; the bill itself was in Italian; the date was according to the old style, that is the mode of reckoning prior to the adoption of the Gregorian calendar, and the protest was signed by a notary, who, strange enough, dated by Apostolic and Imperial authority, without the slightest reference to the jurisdiction of the English Crown. How have matters changed in all these respects in Italy, England, everywhere!

But I have made no mention as yet of the famous Bank of Venice, which exercised so much influence on the monetary transactions of those times. In Venice, as in other cities, there were early founded three "mounts" for money changing and

deposit, one called "Il Monte Vecchio," erected in 1156, under the Doge Vitalis Michaelis, another called "Il Monte Nuovo," established in 1380, and another "Il Monte Novissimo." Properly speaking, these "mounts" were not carrying on the business of bankers. They were only places for deposit and money changing. Real banking and money lending were in the hands of the Jews, and in vain did the patricians of Venice try to oust them from their avocation. They only burned their fingers in so doing, by their careless trust and utter inability of calculation. When, however, the Republic found its resources straitened, and its power to meet the expenditure caused by the war with the Emperor of the East quite gone, a use of the old "mounts" was suggested on public behalf, and the Senate united the three "mounts" into one Board of Public Credit, called the Camera degli Imprestiti, and empowered it to collect a forced loan at four per cent. interest. By a law which reminds us of our present income-tax, every citizen of Venice was compelled to declare his income, and woe to them if they dared to tell any falsehood. So the Camera degli Imprestiti became a sort of department for the management of the debt of the State. At first the transferable receipts issued by the "mounts" represented so much money deposited. But soon after they rested simply on the credit of the State. In 1428 the Camera owed 9,000,000 ducats, and was bound to pay 13,000 ducats every six months. But it was not able to do so, and the value of the security suddenly fell. The Government did everything to sustain it. The revenue of Venice, 4,000,000 ounces of silver per annum, was payable in bank money, or in transfers, to the Camera or bank. All bargains and negotiations above a certain sum were declared invalid if not paid at the bank. But it was impossible that the bank could stand when it was compelled to circulate double or treble the amount of transfers that could be required by the trade. Four times was the bank compelled to suspend its payments. And yet, notwithstanding all this, strong in the sympathies of the Republic, the bank continued to exist down to the year 1797, when it was destroyed by the French Republic, in obedience to the threat of the Directory, "Prenderemo li vascelli, spoglieremo l'arsenale, porteremo via tutti li canoni, distruggeremo la banca." "We shall take your ships, we shall rob your arsenal, we shall take all your cannons, we shall destroy your bank."

Of a similar character to the Bank of Venice was the Bank of St. Giorgio, in Genoa. In the year 1396, the debt of the State being composed of many loans obtained from private individuals upon the mortgage of specific taxes, it was deemed

best to incorporate all these into one bank, to register the names of all the creditors into one great book, and to issue to them titles of credit of 100 lires each. The State had at heart the security and prosperity of the bank, and to strengthen its position the Government ceded to the bank the Port of Pera on the Bosphorus, the Archipelago, and the Island of Corsica ; a strange mode this for imparting security to a bank, for of what avail could those possessions be in times of panic or distress ? The bank lasted a considerable time, and struggled hard for existence, but, entangled by its transactions with the State, it had at last to succumb, and it ceased its functions altogether by giving all up to the State itself.

The Banks of Venice and Genoa were alike banks of deposit and transfer only. They provided solely for local wants, yet they aided greatly towards the economy of time and the avoidance of the risk connected with the preservation and transfer of coin and bullion, whilst, by the exchange of coins of endless variety and doubtful fineness for a uniform and solid currency—the banco money—they did much to establish a standard of value all over Europe at the most critical time, perhaps, in its monetary institutions. The Bank of Barcelona, the Bank of Amsterdam, the Bank of Nuremberg, the Bank of Hamburg, followed each other in the 15th, 16th, and 17th centuries. Like the Italian banks, these also were founded on the guarantee of the municipalities. They, too, were banks of deposit and transfer, and fixed as a basis of their transactions a currency of a conventional value higher than the value of the money in circulation. But new elements acquired prominence, and gradually as credit became enlarged and capital became more diffused, the public element gave place to the private, and the modern took the place of the ancient. But has the modern supplanted the ancient ? No. Rather the ancient lives in the modern. For the old “mounts” we have to a certain extent the banks of deposit and savings banks. For the *Camera degli Imprestiti* we have the Bank of England, gathering around itself the capital-holders of the nation, and administering our public debt. Money lending is still an important branch of industry, only more open and public since the abolition of the usury laws. For the old Lombards we have our merchant princes and our financiers, with their functions more defined and divided ; for the transfer of credits at the Bank of Venice or Genoa we have the transfers at the Bank of England and at the Clearing House. And for the issue of a banco money, alike uniform and trustworthy, we have our Mint issuing bright sovereigns, and our Bank of England their new notes. Nothing

is lost. All remains. The old branches may be decayed, but the tree lives, and we see it budding fresh and new.

As for Italy, the glory and triumphs of her commerce and banking are certainly departed with the fall of her commercial cities, and the transfer of their trade to more northern nations. There is little worth recording of the history of commerce and banking of Sardinia and Tuscany, the States of the Church, and the two Sicilies, for many centuries. But a brighter day has come, and immediately that the Italian kingdom was fully organised, no time was lost in encouraging the formation of banks for the gathering and economising of the savings of the people, and the extension and consolidation of a sound system of credit. Before the union of the different States, each had its own national bank. But as the States became incorporated, these banks were all fused into one for the purpose of issue, without destroying their individuality for other and more general purposes. There are now six banks of issue in Italy, viz., the National Bank of Italy, the Bank of Naples, the National Tuscan Bank, the Roman Bank, the Sicilian Bank, and the Tuscan Bank of Credit for Industry and Commerce, and together they have a capital of £10,000,000, a metallic reserve of about £5,000,000, and a total circulation of notes to the extent of £62,000,000. Besides these there are 224 popular banks and credit societies, 13 institutions of land credit or agricultural banks, and six institutions of credit on mortgages, and a great number of savings banks.

A new era, I am happy to say, has at last dawned on the political and economic condition of Italy. Suddenly and unexpectedly has she risen from a state of torpor and hopeless depression to a living, energetic, and dignified assertion of her title to be ranked among the leading nations in Europe. Most favourably placed by her geographical position in the very heart of the Eastern hemisphere, rich in her productions, abounding in sea coasts, with excellent harbours on the Adriatic and Mediterranean, bordering on immense inland countries, and with a population, on the whole, intelligent and industrious, there is no reason why Italy should not occupy in the nineteenth century a position at least as high as in the thirteenth and fifteenth centuries. The spirit of commercial enterprise which once prompted the Italian traders to undertake daring adventures in the East must, it is true, find new fields of activity. The superior advantages of their position, and their exclusive command over rich and unexplored markets are, doubtless, for ever lost to them. The Europe of the nineteenth century is not the Europe of the middle ages. Other nations have risen.

Communications by sea and by land are now open between the most distant countries. And the entire character of the world's commerce in the present day bears no analogy whatever to the state of mercantile relations at the period when the Italians were supreme in commerce, banking, manufacture, and shipping. Still, Italy may yet be a great commercial nation. She may develop her varied and abounding resources. The sea is as open to the Italian seaman as to the British or American, and in the immensely widened field of commerce in every corner of the earth, there is ample room for the exercise of Italian energy, skill, and enterprise.

A glorious mission is now afforded to the illustrious sovereign who from the Alps to Sicily is saluted as King of Italy, and great will be his moral triumph should he succeed in lifting up that nation to a position worthy of her ancient rank. To establish throughout the length and breadth of that land wise laws and institutions, to provide for the permanency of political institutions, to give security for the safe investment of capital, to guarantee the impartial and prompt administration of justice, to realize a perfect equilibrium of finance, and to proclaim perfect toleration of religious opinion and worship, these are objects of the highest importance, which have engaged the attention of the Italian Government these many years. And doubtless the prestige connected with the regeneration of a nation once so great and chivalrous has immensely facilitated the accomplishment of such reforms. Italy needed strong hands and wise heads to guide, to rule, to shape her new destinies, and she found them in Cavour and d'Azelio, and in the many statesmen who have held the reins of the State with such wonderful success for the last quarter of a century. A country which has given birth to so many masters of science and art, one which possesses so many claims to the gratitude of the learned and the good, one in resources so rich, and in position so commanding, is well entitled to a high place in the counsels of Europe; and the civilized world has not been tardy in awarding to her the tribute which is due to the oldest and most successful explorer of European commerce, industry, and banking.

My lecture this evening has been an historical one, the principles of modern banking having to be more fully advanced in my subsequent lectures. Meanwhile, permit me to call your attention to the works which you may advantageously study for the examination which I shall have the pleasure to hold. Of these, first and foremost, I certainly place Mr. Gilbert's, for whether he treated banking as a science, or whether he entered into details connected with the practical work of banking, Mr.

Gilbart was uniformly simple, clear, correct. Mr. M'Cleod's work is more elaborate and systematic. Mr. Hankey's "Principles of Banking: its utility and economy," is not exhaustive, but useful. Connected with the currencies and exchanges, we have Professor Jevon's "Money," and Professor Benamy Price's "Currency and Banking," and for an examination of the wonderful working of the money market, we have Mr. Bagehot's "Lombard Street." Whilst for the statistics of banking, we have Mr. Palgrave's "Notes on Banking," and Mr. Dun's most complete paper read before the Statistical Society of London. Do not neglect, I pray you, the history of banking, whether of the middle ages or of modern time, for its teaching will best guide and preserve us in the path of wisdom and safety. Examine the elaborate articles on banking in M'Culloch's "Dictionary of Commerce," and in the new edition of the "Encyclopedia Britannica." Read carefully all that concerns Banking, Foreign Exchanges, and Currency in every "History of British Commerce." But above all, let me commend to your careful study, not any work, not any treatise of others, but your own daily practice, your own personal experience. Let theory and practice go together with you, and be you wise in the due appreciation of what you see and do every hour of the day. Welcome to this college, my students! May the lessons I may be able to offer to your consideration, aid you in the discharge of your laborious and responsible duties!

Banking and Commercial Law.

BANKERS are interested in all questions of law connected with bills of lading. The following case therefore deserves attention. The plaintiff *Leask* (the *bond fide* holder for value of a bill of lading) brought an action against the defendant *Scott*, the owner and consignor of goods, in which the plaintiff alleged that the defendant had improperly stopped certain goods *in transitu* under circumstances which appear from the judgment of the Court of Appeal which we give below. We may explain that stoppage *in transitu* means the right of an unpaid sender of goods to stop the delivery of his goods, which are on their way to the purchaser, on the ground that they are not paid for, and that the purchaser is unable to pay for them. This case is the more important as the decision of the Appeal Court in favour of the plaintiff disturbs and indeed reverses what had been taken by lawyers as settled

law, such law having been several times affirmed by the Judicial Committee of the Privy Council. The action was originally tried before Mr. Justice Field at Guildhall, who directed judgment to be entered for the defendant, as his lordship considered himself governed by the authority of previous decisions.

Lord Justice Bramwell delivered the following judgment :—The defendant stopped the goods *in transitu*; and rightfully so, unless the plaintiff had a right to hold them. The facts are simple :—Green and Company, the consignees, were indebted to the plaintiff and applied to him for an advance, which he agreed to, upon being “covered,” and on their promising him that the advance should be covered he advanced them £2,000, being content with their promise. In a few days the bill of lading was received by them, and on the next day it was deposited with the plaintiff in pursuance of the promise. There was no question as to the validity of the transfer—for the jury found in favour of the plaintiff. This being so, the plaintiff contended that he was entitled as *bond fide* holder of a bill of lading for valuable consideration by transfer from the lawful holder and proprietor of the goods mentioned in it. This was not denied by the defendant, whose contention was that though the plaintiff was lawful holder as between himself and the consignees—yet he, the defendant, had not lost his right of stoppage *in transitu*; and that the right was available against every one except the assignee of the bill of lading for valuable consideration, and unless the consideration had been got by means of the bill of lading; but that past consideration was not such consideration, and that the title was not such as divested the equitable right of stoppage *in transitu*, that this right was only defeated by a transfer for present consideration, and that it was not so here—as the consideration was an existing debt; and that thus the transferee had not been prejudiced by taking the bill of lading, as he had not made the advance upon the bill of lading, but that the bill of lading was transferred for an advance already made, and that so it did not defeat the right of stoppage *in transitu*. It was first put that the equitable right of the consignor should prevail against the equitable right of the transferee of the bill of lading; but on its being pointed out that the title of transferee is legal, it was put in the way already stated, that no part of the consideration was gained by means of the bill of lading. In support of the argument the decision of the Judicial Committee was cited and relied upon, and we think it certainly supports the argument, and we need not say that we should treat any decision of that tribunal with the greatest respect, and should rejoice if we could agree with it, but we cannot do so. There is not a trace of such a distinction to be found in the books. There is no decision the other way; but whenever the rule of law has been laid down it has been without the qualification now contended for, and we cannot help seeing that not only is the decision a novelty, but it is opposed to the silent authority of all

Judges and text writers ; and with all respect, the reasoning of the decision is unsatisfactory. No doubt it has been held that the assignee of a *chose in action* takes it subject to its equities ; but this was not a *chose in action*, it was the transfer of a legal right of property—that right is supported by all the authorities, and reason leads to the same conclusion. Indeed, it appears to come clearly within the principles laid down in the case of *Lickbarrow v. Mason*, the leading case on the subject. The truth is, that “past consideration,” as it is called, has really a present operation, and in that sense is a present consideration. It staves off the demands of creditors. If the plaintiff had agreed to give a week’s time no one would have “doubted that it would have been a good consideration,” and is it necessary that there should be a formal agreement to that effect? If the plaintiff had bought the goods, and had paid part of the debt with the price, the consideration would have been good ; so if it had been done through the medium of a bill. Commercial law ought not to depend upon these niceties. In truth, there is always a present consideration ; the assignor always gets the benefit of it. If Green and Co. had had the bill of lading it could have been handed over, and what difference does it make that there was a promise that it should be handed over when received? Upon these grounds we are unable to concur in the decision of the Judicial Committee or in the argument of the defendant. As to the decision of Mr. Justice Field, it proceeded entirely on that decision, and falls with it. The judgment, therefore, must be reversed, and entered for the plaintiff.

AGENCY.—LIABILITY OF AGENT TO REPAY MONEY RECEIVED
ON BEHALF OF PRINCIPAL.

NUM questions may be raised with reference to the evidence required of such an assent on the part of an agent to hold remittances for and on behalf of a third party as will render the agent liable to the third party. It was argued in *Malcolm v. Scott* (5 Ex. 601), which was decided in 1850, that the third party is not bound to prove a positive contract on the part of the agent to pay over the money, but that it is enough to show an attornment by the agent to his principal’s order. In that case the defendants were directed by their principal to hold a sum of money at the disposal of the plaintiff, a creditor of the principal. The defendants accordingly wrote to the plaintiff “to advise” him of their principal’s request, adding, “At the present time we are considerably in cash advance for the firm, and the consignments and remittances hitherto advised will, we think, fall short of the engagements we are under on their account. We have, however, registered the above, and should remittances or consignments come forward to enable us to meet their wishes, we shall lose no time in advising you.” The defendants afterwards wrote to their principal that the state of the accounts did not warrant the payment to the plaintiff. The Court held that

the defendants had entered into no positive engagement to pay the money, and that consequently the plaintiff had no right of action.

An agent cannot be called upon to restore to third parties money which he has paid over to his principal, which he had no right to withhold from his principal. Certain bills of exchange were drawn upon and accepted by the East India Company in favour of W. H. They were afterwards endorsed to D. and C. by an agent of W. H. under a supposed authority given by a power of attorney, which was seen and inspected by the acceptors. D. and C. indorsed the bill to B. and Co. (the defendants), their bankers, in order that the latter might, as their agents, present them for payment when due. B. and Co. put their names on the back of the bills, presented them for payment, and received the amount. This they paid over to their principals. When it was discovered that the power of attorney did not authorise the agent to indorse the bills, the administrator of W. H. in an action against the acceptors recovered the amount of them. The acceptors then brought an action against B. and Co., and declared on a supposed undertaking, that they, as holders, were entitled to receive the amount of the bills. The jury found that the plaintiffs paid the bills on the faith of the power of attorney, and not of the indorsement by the defendants, and that the latter paid over the money before they had notice of the invalidity of the first indorsement. The court decided that there was no ground for the action: (*The East India Company v. Trillon*, 3 B. & C. 280, 1824). It is to be noticed that the power of attorney was not produced by the defendants, nor was there any evidence that they had any means of estimating its sufficiency, and further that the insufficiency of the authority was not discovered until the money had been paid over by the defendants to their principals, and if there was negligence it was due to the plaintiffs' mistake on a point of law: (See *Bilbie v. Lumley*, 2 East, 469.)

A. paid into the Totness County Bank a quantity of notes of a bank at Dartmouth, to bear interest from that day. The Totness bankers sent the notes early on the following morning to the Dartmouth bank. Upon their receipt there the latter, according to their usual course of business with the Totness bankers, gave them credit in account for the amount of the notes. The course of dealing between the two banks was that if the Totness Bank received notes of the Dartmouth Bank in the course of the day, they sent the notes on the following morning to the Dartmouth Bank. If the Dartmouth bank received notes of the Totness Bank, they at the close of the business of the day sent them to the Totness Bank. If the balance of the day was in favour of either bank, the amount was paid by a bill upon their respective agents in London. The Dartmouth bank continued to pay their notes until the evening next following the day on which A. paid the notes into the Totness Bank. In an action by A. against the Totness bankers, he recovered the amount of the notes on the ground that as between the plaintiff

and defendants the taking of credit in account for the amount of the Dartmouth notes was equivalent to payment to the Totness bankers (*Gillard v. Wise*, 5 B. & C. 134, 1826). Here, the Dartmouth bankers were made the agents of the Totness bankers, the latter authorising the former by the course of dealing, to give credit in account for their own notes, instead of paying them immediately in money. If the notes had been of no value at the time they were deposited, the case, as pointed out by Mr. Justice Holroyd, would have been very different.—*Law Times*.

QUEEN'S BENCH DIVISION.

SMITH AND OTHERS V. WEST.

In this action, which recently came before the High Court of Justice, the plaintiffs were bankers, and the defendant was a corn merchant and warehouseman at Hull. Mr. Castle Kelsey was a customer of the bank, and on the 31st March, 1874, the defendant signed a guarantee stating that, in consideration of the bankers giving credit to Mr. Kelsey, they undertook to hold themselves responsible for all moneys which should become due to a certain extent. This guarantee was sued on, and at the trial before Mr. Justice Quain at Guildhall, the verdict was for the plaintiffs for £5,430. Subsequently a rule was obtained to enter a verdict for the defendant, or for a new trial, upon the grounds that the guarantee contemplated the defendant only being responsible for future debts, whilst he had been held responsible for past debts, and that the plaintiffs had given indulgence to Mr. Kelsey which injuriously affected the position of the defendant, so that he would be relieved from his liability, and, further, that the matter had not been properly left to the jury. On cause being shown against the rule being made absolute, Justice Grove said, the point as to entering a verdict for the defendant being given up, he thought that there should be a new trial, upon the ground that there was some evidence which ought reasonably to have been submitted to the jury. Mr. Mathew asked that the defendant might have out of court £5,000 which he had paid in. Mr. Williams said that his client intended to appeal against the decision just given. Mr. Justice Grove: That being so, the money must remain in court.

EXCHEQUER DIVISION.

BRADBURY AND ANOTHER V. THE UNION BANK OF LONDON.

This case was tried in the City of London Court, when the learned Judge found a verdict for the defendants, but gave the plaintiffs leave to move. The action was to recover £14. 8s. 5d., the proceeds of three small cheques on the London and County Bank, payable to the order of the plaintiffs. These three cheques the plaintiffs' manager and London agent, Mr. G. Rimmel, got hold of respectively on February 13, June 29, and August 21, 1875, and, having forged

the indorsement of the plaintiffs, cashed them through Mr. Blanchard, the keeper of a restaurant. Mr. Blanchard passed them in through his bankers, the defendants, who finally got the money from the London and County Bank. When the special case was sent back by order of the Court, consisting of Baron Cleasby, Mr. Justice Denman, and Mr. Justice Field, the learned commissioner found there was negligence and delay on the part of Messrs. Bradbury, who are electro-plate manufacturers at Sheffield, in that, though they discovered Mr. Rimmel had absconded in October, 1875, they did not take any active steps in the matter until December 18.

The contention on the part of the plaintiffs was that the matter was already decided on the authority of *Arnold v. the City Bank*. Even supposing the negligence admitted, there was nothing to deprive the plaintiffs of the property in the instruments. On the defendants' behalf it was contended that Blanchard ought to have been sued; the defendants were the mere conduit pipe, so to speak, of payment, and had not benefitted by the transaction. Mr. Rimmel had been left for months as the sole and responsible manager of the London business after August, the date of the last forgery, without any audit or examination of the accounts.

Sir Henry Hawkins observed that if Blanchard had overdrawn his account and the money was properly paid in, the bank would have benefitted considerably.

After a full discussion, the Court gave judgment for the plaintiffs, with costs, holding that Rimmel's forgery could not deprive the plaintiffs of their undoubted property in the cheques, and that his passing them to Blanchard could confer no title in them to him, nor could he again pass any on to the defendants. The negligence alleged was not such as to stop the plaintiffs from suing, as it did not directly contribute to the mistake, or in any way mislead the defendants.

NASH AND ANOTHER V. SHIPMAN.

The plaintiffs sued the Union Bank of London to recover the sum of £1,410, being the amount of a bill of exchange, drawn by Duncan, Sherman and Co., of New York, on the bank in favour of the plaintiffs; and the defendant sued the bank to recover the sum of £54,967, being the balance alleged by him to be standing to the credit of the New York firm with the bank at the date of their bankruptcy; and so the plaintiffs and the defendant were to "interplead"—that is, to fight the question out between them—in these circumstances. The plaintiffs are money changers at Manchester; the Union Bank acted as agents for the New York firm, who were in the habit of making remittances to England by drawing bills of exchange on the bank; and the bank had agreed with them to accept and pay all bills drawn on them by the New York firm if covered by cash or approved securities, and if they were properly advised of the drawing. On the 10th of July, 1876, the New York

firm, for value received from the plaintiffs, sent to the plaintiffs a bill drawn on the bank, at sixty days' sight, for £1,410, and the firm advised the bank of the bill. The bank received the letter and advice on the 21st of July, 1875, when they had a large balance standing to the credit of the New York firm, in addition to the amount of the remittances then received. On the 22nd of July the bank informed the New York firm of their receipt of their advice, and on the 25th the plaintiffs received the bill, and on the 27th presented it for acceptance. On that same day the New York firm suspended payment, and on that day the bank still had (subject to the bills credited being paid) a balance in their hands to the credit of the New York firm more than sufficient to cover the bills. Upon the bill being presented it was accepted in the usual way, and a clerk entered the amount to the debit of the New York firm. On that day, however, before the bill so accepted had been re-delivered to the plaintiffs, or any more done by the bank, some news affecting the credit of the New York firm had reached the bank, and thereupon the bank caused the acceptance to be erased, and the words "refer to drawers" written on the face of the bill, and next day they re-delivered it to the plaintiffs and cancelled the entry, debiting the amount to the New York firm. The defendant is trustee of the estate of the New York firm, and the sum of £54,967 is the ultimate balance arrived at after all liabilities the bank were under had run off; and on the 29th of July the bank had a telegram from the defendant, as trustee of the New York firm, to hold the assets for him. The plaintiffs, on the other hand, claimed to have appropriated the sum of £1,410 as the amount of the bill. The defendant, as trustee, claimed the whole sum of £54,967. The question was whether the plaintiffs were entitled to the amount of the bill, or whether the trustee of the New York firm was entitled to the whole amount of the assets without deducting the bill.

The Court gave judgment for the defendant, the trustee, that he was entitled to the whole amount of the assets, as the acceptance was cancelled before it was delivered.

CHICHESTER COUNTY MAGISTRATES' CLERKS' OFFICE.

Before R. Dendy, Esq.

CHARGE OF FORGING A CHEQUE.—*Thomas Powell*, late a mate in the merchant service, was charged with forging a cheque for £5, with intent to defraud. It appeared that on Monday afternoon the prisoner called at the shop of Mr. E. Cooke, watchmaker, Bognor, purchased a silver watch and gold-plated guard for £3, and tendered in payment a cheque for £5, written on an ordinary piece of paper, purporting to be drawn on the Covent Garden Branch of the London and County Banking Company by Thomas Lancaster. It was made payable to George Clarke or bearer, and on the back it was endorsed "George Clarke." Not having sufficient change and the bank being

closed, Mr. Cooke gave the prisoner 28s., and it was arranged that he should call next morning for the remaining 12s. and the warranty of the watch, but this he failed to do. Mr. Benwell, the manager at Chichester and Bognor of the London and County Bank, said he forwarded the cheque to the Covent Garden Branch, and it was returned marked "Signature differs." The prisoner was captured at Portsmouth by the police of that borough and handed over to the custody of Sergeant Grant, W.S.C., who found among his papers a cheque similar to the other, excepting that it was for £10. The prisoner was remanded.

Reports of Joint Stock Banks.

THE ANGLO-FOREIGN BANKING COMPANY, LIMITED.

Report of the directors presented to the shareholders at the fifth annual ordinary general meeting held at London, 26th April, 1877:—

"The directors beg to submit to the shareholders, the fifth annual report, balance sheet, and profit and loss account for the year ending the 28th February last, showing a gross profit, after allowing for bad and doubtful debts, including £3,738. 9s. 3d. brought forward from last year, of £52,742. 1s. 9d. After deduction of the current charges and rebate, applying the reserve fund, subject to the sanction of the shareholders, in reduction of the estimated depreciation on the securities now in hand, providing for the bank premises redemption fund, and income-tax, the sum of £28,466. 4s. 6d. is left for appropriation. The directors propose to apportion £24,000 to payment of a dividend at the rate of 4 per cent. for the last year, and to carry forward the balance, £4,466. 4s. 6d. to profit and loss new account. The unsettled state of affairs in the East has caused a considerable fall in the value of the securities held by the bank, from the 29th of February last year, and the depressed state of trade rendered increased caution necessary in the conduct of its business, which has been thereby considerably restricted. But for these causes the profits of the year would have been larger. It is with regret that the directors have to announce the retirement from the board of Antonio A. Ralli, Esq., and the death of their esteemed colleague, Xenophon Balli, Esq. The directors retiring by rotation on the present occasion are P. P. Rodocanachi, Esq., and D. S. Schilizzi, Esq., who, being eligible, offer themselves for re-election. The number of directors having been reduced to seven, the board recommend that James Charles, Esq., of the South Sea House, E.C., and Patrick Keith, Esq., of No. 13, Leadenhall Street, E.C., be elected directors of the company, and the board have the pleasure of announcing that these gentlemen have expressed their willingness to undertake the duties of the office. John Ball, Esq., and James Dickson, Esq., the auditors, also retire, and offer themselves for re-appointment."

Balance Sheet, 28th February, 1877.

<i>Dr.</i>									
Capital of 60,000 shares of £20 each, £10 paid..	..	..	..	£600,000	0	0			
Deposits, loans, &c...	..	..	..	1,599,228	1	6			
Bills payable and current accounts	..	..	..	128,663	5	8			
Bank premises redemption fund ..	..	..	..	753	8	0			
Rebate ..	..	..	..	1,399	14	9			
Profit and loss ..	..	..	..	29,605	7	11			
				£2,359,649	17	10			

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<i>Cr.</i>					
Cash and loans on call and for short periods	..	..	..	£220,714	5 4
Bills receivable, foreign bills, and bills discounted	..	..	..	1,650,461	6 7
Government stocks, and other securities	..	..	..	276,821	16 4
Bank premises	..	..	..	35,407	12 1
Current accounts	..	..	..	176,254	17 6
					<u>£2,359,649</u>
					<u>17 10</u>

Profit and Loss for the Year ending 28th February, 1877.

<i>Dr.</i>					
Net profit for appropriation as follows, viz.:—Dividend, 8s. per share to 28th February, 1877, equal to 4 per cent. per annum					
..	..	..	..	£24,000	0 0
Bank premises redemption fund	..	..	..	350	0 0
Income-tax	..	..	..	789	8 6
Profit and loss new account	..	..	..	4,466	4 6
					<u>£29,605</u>
					<u>7 11</u>

<i>Cr.</i>					
Balance brought forward from last account	..	..	..	£2,738	9 8
Gross profits, after allowing for bad and doubtful debts, £49,003. 12s. 6d.; less expenses, including salaries, directors' fees, rent, rates, taxes, and miscellaneous expenses, £12,145. 0s. 7d.; rebate, £1,399. 14s. 9d.; deduct ascertained and estimated losses on securities in hand at the close of the last financial year, 29th February, 1876, viz.: loss on realisation of stocks, £7,062. 19s. 4d.; estimated depreciation on securities now in hand, £47,628. 19s. 2d.; less reserve fund applied in reduction thereof, £45,000					
					25,866 18 8
					<u>£29,605</u>
					<u>7 11</u>

AUSTRALIAN MORTGAGE, LAND, AND FINANCE COMPANY, LIMITED.

DIRECTORS' report, presented to the shareholders at the thirteenth ordinary general meeting, held at London, 26th April, 1877:—

"In submitting to the shareholders the thirteenth annual statement of the transactions of the company, the directors have the satisfaction to report that according to the annexed audited statement of the liabilities and assets, and of the profit and loss account for the year ending 31st December last, there is a nett profit of £54,348. 7s. 7d., including the sum of £5,271. 2s. 3d. brought forward from the previous year. Of this amount the directors have paid, on the 4th November last, an interim dividend of £10,000, being at the rate of 10 per cent. per annum; they have placed £20,000 to the credit of the reserve fund (which, with the £15,000 premium received from the issue of 10,000 new shares, now amounts to £85,000,) and they propose to appropriate the balance as follows:—£12,500 in payment of a half-yearly dividend at the rate of 10 per cent. per annum; £8,250 in payment of a bonus of two shillings and sixpence per share; £5,598. 7s. 7d. to profit and loss new account. The directors are pleased to report that the funds of the company have been well employed during the past year, and that the prospect for the future is satisfactory. In accordance with the recommendation of the board of directors, as contained in the last report, the shareholders at an extraordinary meeting convened for the purpose, held on 26th April, 1876, authorized the increase of the capital of the company by the creation of 40,000 additional shares, of which 10,000 have been issued at a

Australian Mortgage, Land, and Finance Company. 479

premium of £1. 10s. per share; this premium, £15,000, has been placed to credit of the reserve fund. In conformity with the Articles of Association, the director now retiring by rotation is:—James Donald, Esq., who, being eligible, offers himself for re-election. The auditor, John Young, Esq. (Turquand, Youngs & Co.) also offers himself for re-election."

Dr. Balance Sheet, 31st December, 1876.

Capital paid up	£250,000	0	0
Reserve fund invested as <i>per contra</i> , £65,000; added as below, £20,000	85,000	0	0
Debentures, &c.	894,769	0	7
Bills payable	500,353	4	3
Sundry creditors' and customers' balances, interest accrued on debentures and rebate on bills receivable	212,226	2	6
Profit and loss, as per statement below	24,348	7	7
	<u>£1,966,696</u>	<u>14</u>	<u>11</u>

Cr.

Cash at bankers and bills receivable	£206,755	11	9
Colonial Government bonds	65,228	0	0
Loans on land, stations, stock, &c.	864,265	11	9
Advances on wool afloat and in store	724,633	0	4
Sundry debtors and customers' balances	95,589	18	7
Freehold and leasehold premises and furniture	10,226	12	6
	<u>£1,966,696</u>	<u>14</u>	<u>11</u>

Profit and Loss Account for the year ending 31st December, 1876.

Dr.

Current expenses for the year, including income-tax, directors' remuneration, and all charges at head office and branches ..	£21,761	1	1
Interim dividend at rate of 10 per cent. per annum, paid on 4th November, 1876	10,000	0	0
Transfer to reserve fund	20,000	0	0
Balance	24,348	7	7
	<u>£76,109</u>	<u>8</u>	<u>8</u>

Cr.

Amount brought forward	£5,271	2	3
Profits for the year, after providing for debenture and other interest, rebate on bills receivable, and bad and doubtful debts	70,838	6	5
	<u>£76,109</u>	<u>8</u>	<u>8</u>

RESERVE FUND.

Dr.

December 31st, 1876. Balance	£85,000		
	<u>£85,000</u>	<u>0</u>	<u>0</u>
Cr.			
December 31st, 1875. Amount carried forward	£50,000	0	0
October 1st, 1876. Premium on issue of 10,000 shares	15,000	0	0
December 31st, 1876. Transfer from profit and loss	20,000	0	0
	<u>£85,000</u>	<u>0</u>	<u>0</u>

BALLARAT BANKING COMPANY, LIMITED.

Report of the directors submitted to the proprietors, at the twenty-fourth ordinary general meeting, held 2nd February, 1877; Robert Fawell Hudson, Esquire, M.D., in the chair:—

"The directors have again pleasure in meeting the proprietors with their twenty-fourth half-yearly report and statements to the 31st December, 1876. The accounts, it will be seen, have been examined, as required, for the period embraced by this report, and certified by the auditors. On reference to the profit and loss account, which includes a balance of £823. 18s. 9d. brought forward from the previous half-year, a gross profit of £8,265. 5s. 8d. is shown to have been earned, which, however, has been charged with deductions of £1,100. 16s. 4d., for current expenses, and £2,267. 10s. 3d. for interest paid and accrued due to depositors upon their current and deposit accounts, leaving a net available amount of £4,896. 19s. 1d. A continuation of the usual dividend is now recommended by your directors at the rate of 10 per cent. per annum, which, upon the present balance of capital account (£73,010), will absorb £3,650. 7s. 4d. They likewise recommend an appropriation of £190. 3s. 11d. towards bank premises account, and the balance thereafter remaining £1,056. 7s. 10d. it is proposed to carry over to profit and loss 'new account.' It will be observed on reference to the general balance account an increase has occurred during the period under review in the amount at debit of bank premises. This increase arose of necessity, and as the outlay incurred was principally of a restoring character, the whole expenditure, including the usual amount hitherto set aside in reduction, has been added to the appropriation on this occasion. The return of profit on the past half-year's operations already laid before you will, it is hoped, be deemed satisfactory, taking into account that a large amount of available cash, as well as many new advances, have been producing but minimum rates of interest; and with respect to the latter it is the desire of your directors to cultivate business with the public on the same terms that can be obtained elsewhere. A general tendency to low rates for advances seems to pervade the colony, and is likely to continue in the competition for outlets, thereby assisting to reduce the margin of banking profit hitherto secured. The deposit accounts with the public have been well maintained, an apparent advantage being taken of the extra rate of interest allowed by this bank on those of six months' duration, while the average amount of advances has been under that of the previous half-year; this latter department in banking can be improved, if some of the shareholders will assist more by their influence and patronage the efforts of their directors and manager."

General Balance Sheet at the 31st December, 1876.

Dr.

CAPITAL AND LIABILITIES.

Capital subscribed, in 20,000 shares of £10 each, £200,000.			
Ditto paid-up	£73,010	0	0
Amount due by the bank on deposits fixed and at call, current account (including interest accrued), Government accounts, and all other obligations	109,257	8	8
Reserve fund	21,500	0	0
Profit and loss net balance	4,896	19	1
	£208,664	7	4

Cr.

ASSETS.

Cash in hand, and with bankers	£37,176	17	9
Bills discounted, cash credit advances, and all other debts due to the bank	167,797	5	8
Bank premises, furniture, &c.	3,690	8	11
	£208,664	7	4

Profit and Loss Account at the 31st December, 1876.

Dr.

Current expenses, including management, salaries, taxes, stationery, &c.	£1,100 16 4
Interest paid and accrued on fixed deposits, and current accounts	2,267 10 3
Appropriation—Dividend at 10 per cent. per annum on capital called up, £3,650. 7s. 4d.; bank premises (in reduction), £190. 3s. 11d.; balance to profit and loss, "new account," £1,056. 7s. 10d.	4,896 19 1
	<u>£8,265 5 8</u>

Cr.

Balance at 30th June, 1876	£823 18 9
Gross profit for the half-year, after making provision for bad and estimated doubtful debts	7,441 6 11
	<u>£8,265 5 8</u>

Reserve Fund.

Dr.

Balance	£21,500 0 0
	<u>£21,500 0 0</u>

Cr.

Balance brought forward	21,500 0 0
	<u>£21,500 0 0</u>

The Chairman moved the adoption of the report and balance-sheet. In doing so, he said they were very satisfactory, considering the great competition that was going on between the banks. He hoped the shareholders would continue to second the efforts of the manager and directors, and concluded they would put their shoulders to the wheel just now, because the position of the bank was of that stability that with a little effort from their friends they would increase their prosperity to an extent that would be satisfactory to the interests of the institution. Some of the shareholders were content with merely coming forward for their dividends—higher than they could obtain elsewhere—and it was to these that he addressed his remarks in reference to bringing their own business and urging their friends to do business with the bank. He saw several present whose exertions have been most praiseworthy in this respect. Mr. John Wright seconded the adoption of the report, and spoke to the same effect on his own behalf. The motion was then carried unanimously, and the meeting terminated in the usual manner.

BANK OF SCOTLAND.

REPORT by the court of directors to the proprietors at the annual general meeting, held at Edinburgh on the 27th March, 1877:—

"The directors submit to the proprietors their usual statement of the assets and liabilities of the bank as at the close of its financial year on the 28th February, and report that—The net profits of the past year, after payment of all expenses, allowing for rebate on bills discounted not yet due, and making full provision for bad and doubtful debts, amount to £168,353. 9s. 6d.; the last annual report exhibited a balance at the credit of the profit and loss account of £18,727. 9s. 10d.; together, £187,080. 19s. 4d. From this has to be deducted the half-yearly dividend, at the rate of 14 per cent. per annum, paid in October last, on the capital

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of £1,000,000, £70,000; the directors now recommend that a dividend for the half-year ending the 28th ultimo be declared at the same rate upon the increased capital of £1,250,000, which requires £87,500, = £157,500. Leaving £29,580. 19s. 4d. Add the premium received from the new stock, £375,000. Total, £404,580. 19s. 4d.; from which the directors have made the following appropriations, viz.: to the reserve fund, thereby raising it to £750,000, £340,000; to extinguish the balance of the price paid for the business of the central bank, £45,000; in reduction of the cost of heritable property in the occupation of the bank, £5,000; £390,000; leaving £14,580. 19s. 4d. to be carried forward at the credit of profit and loss account.

Abstract Balance Sheet as at 28th February, 1877.

LIABILITIES.

Dr.

1. To the public—Note circulation, £639,155. 14s.; drafts issued payable within fourteen days, £195,159. 9s.; deposits, £10,409,120. 4s. 1d.; acceptances to banking and other customers, £2,097,162. 2s. 3d.	£13,340,597 9 4
2. To the proprietors—Paid-up capital, £1,250,000; reserve fund, £750,000; half-yearly dividend payable 10th April, 1877, £87,500; balance of profits carried forward, £14,580. 19s. 4d.	2,102,080 19 4
	<u>£15,442,678 8 8</u>

ASSETS.

Cr.

Gold and silver coin and notes of other banks, £514,288. 7s. 2d.; Government securities, cash with London bankers, and short loans in London, £3,240,153. 6s. 8d.; Indian government and other stocks and investments, £938,748. 15s. 2d.	£4,693,190 9 0
Bills discounted, cash accounts, and other advances, £8,444,571. 4s. 1d.; bank premises at Edinburgh and branches, £307,754. 13s. 4d.; liabilities of banking and other customers for acceptances by the bank as <i>per contra</i> , £2,097,162. 2s. 3d.	10,749,487 19 8
	<u>£15,442,678 8 8</u>

CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA.

DIRECTORS' report presented at the twenty-third ordinary general meeting, held at London, 18th April, 1877; William Paterson, Esq., in the chair:—

"The general balance sheet and profit and loss account now submitted to the shareholders show that, after providing for all bad and doubtful debts, the net profit for the year ended 30th December last, inclusive of £6,989. 7s. 2d. brought forward, amounted to £119,307. 0s. 9d., whereof £20,000 was absorbed by the interim dividend declared last October, leaving an available balance of £99,307. 0s. 9d. Of this sum, the directors propose, in pursuance of the policy already approved by the shareholders, to transfer £65,000 to the reserve, thereby increasing that fund to £110,000. They further recommend that a dividend of 3½ per cent. be declared for the past half-year (free of income-tax), making, with the distribution in October last a dividend of 6 per cent. for the year. There will then remain a balance of £6,807. 0s. 9d. to be carried to profit and loss new account.

The directors deemed it expedient, previous to closing the accounts, to write off £10,000 for depreciation of the Bank's premises abroad. They have also thought it desirable to set aside £5,000 for the creation of an officers' superannuation fund.

Mr. James Whittall, lately a partner of Messrs. Jardine, Matheson & Co., of

China, has consented to join the board, and the shareholders will be asked to confirm his election as soon as the deed of settlement permits.

The directors retiring by rotation, Mr. Frederick William Heilgers and Mr. William Christian, present themselves for re-election.

Mr. Owen Lewis and Mr. William Vanner, having completed their term of office as auditors, again tender their services.

Dr. Liabilities and Assets, 30th December, 1876.

Capital paid up in full	£800,000	0	0
Reserve fund	45,000	0	0
Notes in circulation	240,987	7	6
Current accounts and fixed deposits	1,767,503	3	4
Bills payable, and other sums due by the bank	3,973,215	5	8
To profit and loss—			
Balance of this account	99,307	0	9
	<u>£6,926,012</u>	<u>17</u>	<u>3</u>

Cr.

Cash and bullion at the head office and agencies	£1,361,099	14	9
Government securities	225,814	12	9
Other securities, including bills receivable and loans	5,245,292	10	7
Bank premises and furniture at the head office and agencies	93,805	19	2
	<u>£6,926,012</u>	<u>17</u>	<u>3</u>

Profit and Loss Account for the year ended 30th December, 1876.

Dr.

Oct. 18, 1876. To interim dividend for the half-year to 30th June last, at the rate of 5 per cent. per annum	£20,000	0	0
Dec. 30. To balance at date proposed to be dealt with as follows:—			
Dividend of 3½ per cent. for the half-year to date £28,000.			
Addition to reserve fund, £65,000. Profit and loss new account, £6,397. 0s. 9d.	99,307	0	9
	<u>£119,307</u>	<u>0</u>	<u>9</u>

Cr.

Dec. 31, 1875. By balance brought from last account	£6,989	7	2
Dec. 30, 1876. By gross profit for the year £212,475. 19s. 4d.]			
Deduct:—			
Expenses of management and general charges at head office and agencies, including telegrams and income tax, £85,158. 5s. 9d. Written off premises account, £10,000. Transferred to officers' superannuation fund, £5,000.			
Net profits for the year	112,317	13	7
	<u>£119,307</u>	<u>0</u>	<u>9</u>

Reserve Fund.

Balance at 30th December, 1876	£45,000	0	0
Amount now proposed to be added	65,000	0	0
	<u>£110,000</u>	<u>0</u>	<u>0</u>

The following resolutions were successively put, and carried unanimously:—
 Moved by the chairman, and seconded by John Jones, Esq., "That the report now presented, together with the balance sheet and profit and loss account, be

approved and adopted." Moved by the chairman, and seconded by F. W. Heilgers Esq., "That a dividend of $3\frac{1}{4}$ per cent. (free of income-tax) for the half-year ended 30th December last be now declared, payable on and after the 25th instant." Moved by the chairman, and seconded by William Macnaughten, Esq., "That Mr. Frederick William Heilgers, who now retires by rotation, be re-elected a director." Moved by the chairman, and seconded by Ludwig Wiess, Esq., "That Mr. William Christian, who now retires by rotation, be re-elected a director." Moved by Robert Lloyd, Esq., and seconded by William Simpson, Esq., "That Mr. Owen Lewis be re-elected an auditor for the ensuing year." Moved by John O. Surtees, Esq., and seconded by William Simpson, Esq., "That Mr. William Vanner be re-elected an auditor for the ensuing year." Moved by John O. Surtees, Esq., and seconded by C. B. Skinner, Esq., "That the cordial thanks of the shareholders be given to the chairman and his colleagues for their successful management of the bank." With a hearty vote of thanks to the manager and officers, moved by T. F. Rankine, Esq., seconded by C. B. Skinner, Esq., and carried unanimously, the proceedings terminated.

THE DELHI AND LONDON BANK, LIMITED.

Report of the directors presented to the shareholders at the ordinary general meeting, held at London, 11th of April, 1877:—

"The directors beg to submit their usual half-yearly report, together with audited accounts for the six months ended on the 31st December last. The net profits during that period have amounted to £9,805. 13s. 7d., which sum added to the balance brought forward from the previous half-year (viz. £305. 16s. 10d.) gives a total of £10,111. 10s. 5d. at credit of profit and loss account, which the directors propose to apply as follows:—£7,596. 11s. 3d. to the payment of a dividend for the past half-year at the rate of $4\frac{1}{4}$ per cent. per annum (free of income tax); £2,000 to meet deficiencies on realisations of the "Lock up," leaving a balance of £514. 19s. 2d. to be carried forward to next account; Total £10,111. 10s. 5d. Under clause No. 65 of the Articles of Association the directors, who vacate their seats are W. H. Tyler, Esq., and Colonel J. T. Smith, both of whom being eligible offer themselves for re-election. The auditors, Messrs. A. B. Goodall and David Allardice, also offer themselves for re-election.

Balance Sheet, 31st December, 1876.

<i>Dr.</i>		
Paid-up capital	£337,625	0 0
Amount due on customers' balances, deposits, and circular notes	428,591	11 7
Amount on exchange accounts, credits, &c.	268,480	12 2
Amount on account of acceptances	16,895	6 6
Profit and loss	10,111	10 6
	<u>£1,059,704</u>	<u>0 8</u>
<i>Cr.</i>		
Cash in hand and on call at head office and branches ..	£50,658	15 7
Government securities	112,409	5 6
Discounts, loans and credits	567,408	12 5
Other securities, including bullion, bills purchased, &c. ..	287,557	5 9
Freehold premises in Delhi, Calcutta, Lucknow, and Mussoorie, &c.	41,670	1 5
	<u>£1,059,704</u>	<u>0 8</u>

Profit and Loss Statement.

<i>Dr.</i>		
Dividend for the half-year ending 30th June, 1876, at 3½ per cent. per annum (free of income tax)		£5,908 8 9
Expenses at head office and branches, including rent, taxes, &c.		8,118 11 9
		£14,027 0 6
Balance		10,111 10 5
		£24,138 10 11
<i>Cr.</i>		
Balance brought forward		£6,214 5 7
Gross profits at head office and branches, after paying interest on deposits and current accounts		17,924 5 4
		£24,138 10 11

DEUTSCHE BANK, BERLIN.

ANALYSIS of the directors' report presented to the shareholders at the seventh ordinary general meeting held in Berlin, on 23rd April, 1877:—

"The net profits for the year 1876, amounting to Reichsmarks 4,081,541.03, represent 9·07 per cent. on the capital. Of this sum Reichsmarks 1,046,579.03 has been carried to special reserve funds, leaving Reichsmarks 3,034,962.00 available for appropriation as follows:—Reichsmarks 78,496.20 to ordinary reserve, Reichsmarks 215,541.20 to directors and officers, Reichsmarks 25,000.00 to super-annuation fund, Reichsmarks 2,700,000.00 to yearly dividend of 6 per cent. to shareholders, Reichsmarks 15,924.60 carried forward to new account—Total, Reichsmarks 3,034,962.00. During the past year the prostration of business in Germany has rather increased than diminished. The country's production has apparently outstripped its powers of consumption, and no improvement can be expected until the equilibrium is re-established; the export trade has likewise decreased in various directions, especially to the United States of America. Adhering to its original programme, the bank continues, however, to support and facilitate, to the best of its abilities, Germany's foreign commerce, both as regards the export and import branches, and finds in the banking operations connected therewith a more and more remunerative sphere of activity. Though Germany's commerce has, generally speaking, retrograded, the connexions of the bank have increased, principally owing to an agreement by which it has taken over the chief portion of the business hitherto conducted by the Deutsche Union Bank and the Berliner Bankverein in Berlin, two important institutions, which, on account of the stagnation of trade and industry, have deemed it expedient to go into liquidation. As a concurrent measure, the bank has acquired, for a sum of Reichsmarks 1,560,000, the valuable premises of the first-named establishment. The number of head office current accounts on which commission is received has increased by 499, viz.:—from 885 to 1,384, chiefly in consequence of these arrangements, whilst the deposit accounts in Berlin have risen from 723 to 945. The readily available condition and increased importance of the bank's resources have enabled the directors to assist, with good results, in the bringing out of various state and railway loans, a description of business they intend to cultivate in future. Some losses have unfortunately occurred in Vienna, St. Petersburg, and elsewhere, amounting to Reichsmarks 285,121.81, which sum has been written off. The transmarine business, facilitated by the standing gradually acquired by the London agency, continues to progress steadily. The position of the Deutsche-Belgische La Plata Bank, in which the bank is interested, has improved, inasmuch as the Government of Uruguay has commenced

to pay interest on the advances received from the said institution. The reimbursement of the principal has also been promised, but without having taken place up to the present. The results obtained through the branches in Bremen, Hamburg, and London, as well as through Messrs. Knoblauch and Lichtenstein, in New York, are altogether satisfactory. Messrs. Weissweiler, Goldschmidt, and Co., of Paris, who find themselves possessed of more capital than they require under present circumstances, have offered to pay back, before the expiration of existing arrangements, fcs. 500,000 out of the fcs. 1,000,000, to which extent the bank is interested in their firm. It has been decided to accept this proposal. The directors recommend the declaration of a yearly dividend of 6 per cent., which on 75,000 shares representing, at Reichsmarks 600 each, a paid-up capital of Reichsmarks 45,000,000 will absorb Reichsmarks 2,700,000, the surplus profits of Reichsmarks 1,125,075.23 being added to the reserve funds, which will then stand as follows:—Ordinary reserve, Reichsmarks, 1,146,701.60 (£57,335); special reserves, Reichsmarks, 3,330,000.00 (£166,500); Total, Reichsmarks, 4,476,701.60 (£223,835). The total amount turned over in 1876 is Reichsmarks 7,132,500,000, as compared with Reichsmarks 5,513,000,000 in the preceding year."

General Balance-sheet, December 31st, 1876.

<i>Dr.</i>	LIABILITIES.	Reichsmarks.
Capital paid up		45,000,000.00
Current accounts		82,912,545.14
Bills payable		41,038,337.56
Deposits		13,541,879.06
Dividends unpaid		4,701.00
Guarantee account		164,124.14
Reserve funds		4,398,205.40
Sundries		393,980.54
Profit and Loss		3,034,962.00
		190,488,734.84
<i>Cr.</i>	ASSETS.	Reichsmarks.
Cash		5,209,872.42
Bills receivable		57,827,387.70
Investments		21,691,312.42
Loans		32,238,869.44
Current accounts		72,265,550.42
Real estate		1,135,860.31
Furniture		106,868.58
Sundries		15,013.56
		190,488,734.84

Dr. Profit and Loss Account to December 31st, 1876.

<i>Dr.</i>	Reichsmarks.
General expenses	760,539.10
Amount written off furniture, premises, &c., account	111,741.47
Interest paid to Union Bank and Bankverein	1,158,789.75
Guarantee account	137,121.81
Ordinary and special reserve funds	1,046,579.03
Net profit	3,034,962.00
	6,249,733.16
<i>Cr.</i>	Reichsmarks.
Gross profits	6,249,733.16
	6,249,733.16

LONDON BANK OF MEXICO AND SOUTH AMERICA, LIMITED.

Report of the directors presented to the shareholders at the ordinary general meeting, held at London, the 18th April, 1877 :—

"The directors herewith beg to submit to the shareholders the audited accounts for the half-year ending the 31st December, 1876. The directors much regret not being able to recommend the payment of a dividend out of the sum of £11,861. 16s. 11d. at the credit of profit and loss account; but having regard to the present state of affairs in Peru, they consider that this amount will be required to meet losses there, and they have further to report that the balance brought forward from last half-year, £9,277. 12s. 1d. (less income-tax) and the sum standing at the credit of "Exchange Reserve," £13,073. 15s. 9d., have been already similarly applied. The business at Mexico has been satisfactory, and had the bank only to consider its branches there and in Chili, a dividend could now be paid to the shareholders. The crisis in Peru however still continues, and with the necessary contraction in the bank's business there, steps have been taken which will in future very materially reduce the cost of management. No provision has been made in the annexed accounts for depreciation in the value of the local currency in Peru. In consequence of the recent legal decisions in a similar case, the board have been unable to proceed with the scheme sanctioned by the shareholders for accepting the surrender of a certain number of shares. Should these decisions not be immediately reversed by the House of Lords on appeal, the board will be ready to submit other and more effective measures for meeting the wishes of the shareholders, and which will at the same time place the bank in a position to resume the payment of dividends at an early date. The directors who retire by rotation are F. Harrison, Esq., and W. Macandrew, Esq., and being eligible offer themselves for re-election. The auditors, Owen Lewis, Esq., and W. J. Marshall, Esq., retire from office, and offer themselves for re-election."

General Balance-sheet, 31st December, 1876.

CAPITAL AND LIABILITIES,

<i>Dr.</i>			
Capital—shares issued—20,000 shares, £20 per share paid,			
£400,000; 10,000 shares, £10 per share paid, £100,000	..	£500,000	0 0
Liabilities—Deposits and current accounts, £769,500. 14s. 10d.;			
bills payable, and other liabilities, £307,336. 7s. 11d.;			
Notes issued—Mexico and Peru, £362,333. 16s. 2d...	..	1,439,170	18 11
Rebate of interest on bills current	.. ..	7,609	17 3
Balance of net profit as per annexed account	.. ..	11,861	16 11
		<u>£1,958,642</u>	<u>13 1</u>

PROPERTY AND ASSETS,

<i>Cr.</i>			
Cash at bankers and branches	.. ..	£447,365	8 6
Investments in stocks, &c. (cost)	.. ..	150,994	9 0
Bills receivable	.. ..	513,675	7 3
Specie, &c., on hand and in transitu	.. ..	36,128	3 9
Balance due on current accounts, loans, &c.	.. ..	806,931	10 6
Office furniture, &c., at London and branches	.. ..	3,647	14 1
		<u>£1,958,642</u>	<u>13 1</u>

Profit and Loss Account for the half-year ending 31st December, 1876.

<i>Dr.</i>			
General charges in London, Mexico, Lima, Valparaiso, Callao, and Iquique, including directors' fees, and allowances for depreciation on bank property	.. ..	£27,634	8 8

Rebate of interest on bills current	£7,609 17 3
Balance, being net profit carried to general balance sheet ..	11,861 16 11
	£47,106 2 5

Cr.

Balance from last half-year, £9,277. 12s. 1d.; less income-tax, £212. 5s. 8d.—£9,065. 6s. 5d., transferred to Peru.

Gross profits for half-year, after making a provision for bad and doubtful debts	£47,106 2 5
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LONDON CHARTERED BANK OF AUSTRALIA.

THE annual meeting of the proprietors of this bank was held on the 18th May, at the City Terminus Hotel, Cannon Street; Mr. Fane De Salis presiding.

The notice convening the meeting having been read by the Secretary (Mr. W. M. Young), the report and the accounts were taken as read. The accounts showed that the net profits for the year amounted to £83,137, and the report recommended that, out of the year's profits, the sum of £3,000 be carried to the colonial building fund, in order to be applied towards the reduction of the bank premises account, and that a dividend, after the rate of 8 per cent. be declared, leaving a balance of £9,513. 9s. 11d. to be carried forward.

The Chairman said, that before moving the adoption of the report he would ask their permission to make a few remarks on the bank's operations during the past year. Commencing with the accounts, it was gratifying to find that the balance-sheet of the present year compared favourably with that of the past. It disclosed the following results:—The profits of last year were £79,719, while those of this year were £83,137, exhibiting a difference of £3,418 in favour of the present year; but in point of fact this difference was greater, because last year their Victorian note circulation had been altogether free from taxation, but this year the Parliament of Victoria had imposed a tax on it to the extent of £2,700, thus reducing *pro tanto* the profits of this year, which, if compared with those of the past, they really exceeded by £6,118 in lieu of £3,418. These results were satisfactory when it was remembered that the past year had been in no way favourable to banking, for he need not remind them they had passed through a period of unusually severe stagnation in trade, accompanied by exceptionally low rates of interest which had necessarily tended to reduce the bank's profits in London. On the other hand, in the colonies they had not had the same great disadvantages to contend with. There, business had not been depressed to the same extent as in Europe, consequently there had been a better demand for money, and there had also been an absence of that extreme competition which, as reported to them at the last annual meeting, had been productive of so much disadvantage to all the banks established in Australia. Under these favouring influences their profits had increased and the bank's business had continued to extend itself, as was proved by the fact that their deposits and discounts exhibited a considerable increase. Their position was as follows:—Their deposits in 1875 amounted to £1,663,552, but at the close of 1876 they stood at £2,109,524, showing an increase of £445,972. Their discounts and other advances in 1875 were £2,054,382, but in 1876 they had reached £2,575,286, thus exhibiting an increase of £520,904. These gratifying facts not only testified to the progressive character of the increase in the bank's business, but they reflected also credit on the exertions of their colonial staff, and spoke of the zeal and great ability with which their affairs in the colonies were administered by the Bank's esteemed representative, Mr. Brett. It would be observed that the report recommended £3,000 should be applied out of the year's profits in reduction of the cost of their bank premises, upon which point a few words of explanation might be desirable. The term "bank premises" represented 23 banking houses built or acquired by them for the conduct of the business of their

various branches, and these stood in the books at the sum of £149,695. With a view to preclude too large a portion of the bank's capital being locked up in bricks and mortar, and also to ensure that their house property should stand in the books rather below than above its realisable market value, they had on several previous occasions, in conformity with the practice adopted by other banks, written off from it sums aggregating together £36,000, and now after some correspondence on the subject with Mr. Brett, by whose views on this matter they were naturally much guided, they proposed writing off a further sum of £3,000, a course of which the policy and prudence was obvious, and would doubtless have their cordial approval. A few words on matters prominently affecting the two colonies of Victoria and New South Wales, with which they were so closely connected, and upon whose prosperity their business was based—as illustrating the working of the year, would no doubt be of interest to them. Both colonies during the past year had had much to contend with. It was true, the price of their staple produce, wool, had been fairly maintained, but the seasons had not been favourable either to their pastoral or agricultural interests. They had been visited by a drought of nine months' duration, which had not yielded till the autumn of 1876—a date, which in the southern hemisphere where the seasons occurred at periods of the year opposed to those of Europe, would be represented by last April here, when rain had fallen, but too late to allow of a growth of grass springing up sufficient to carry the stock through the winter. Hence numbers of sheep, as well as cattle, which a competent authority put as high as six million of sheep, and half-a-million of cattle, had perished from insufficient food. It was satisfactory to find that these losses, in lieu of discouraging the settlers, had evoked in them that Anglo-Saxon readiness to meet all emergencies which had so often manifested itself in the Australian character. Having suffered severely from want of water, many station owners had applied themselves to securing a permanent water supply by constructing reservoirs and damming back creeks. This was rendered an easy matter by the large rainfall of the colonies, which averaged 35 inches, being far in excess of the rainfall of Europe, and by these means many stations which had sustained large losses of stock from the late drought might now be viewed as safe from the effects of similar visitations. One of the most marked features in the history of the past year was the evidence it afforded of the continued decrease in the gold yield of the colonies, a fact which had an extended interest as bearing on the value of the great circulating medium of the world. It was not so long ago since writers on currency and finance had expressed fears that there would be so great an over-production of gold that its value must decline; these fears, however, recent Australian gold statistics were calculated to dispel. The last Blue-book published by the Government of Victoria showed that the gold yield for 1876 was £4,335,292, while that of 1875 was only £3,749,040, exhibiting a decrease of £486,252. Another official document published by the same colony brought out the progressive character of the decrease in stronger relief, for it showed that in 1866 the gold yield was £6,146,324, and that the number of men engaged in raising it was 73,479, while in 1876 the gold yield had declined to £3,749,040, employing only 41,564 men. He would not trouble them with the gold statistics of the other gold-producing colonies; it would be sufficient to say that although Queensland maintained its yield the gold produced by New South Wales and New Zealand last year exhibited a decrease of about £100,000 each. This diminution in the production of a considerable export was a noteworthy feature in the history of the colonies. It would undoubtedly to some extent, affect the exchanges, but it would be a mistake to suppose that it would seriously prejudice Australian interests; inasmuch as the labour and capital not required for gold raising would speedily find its way into other equally profitable and productive occupations. The cause of the diminished yield was not far to seek, it was mainly due to alluvial gold mining having ceased to be as profitable or productive as in former times, and having, therefore, in great measure been superseded by the more certain industry of gold quartz mining, now prosecuted in many parts of Australia with much energy and success. He might add that gold quartz veins were so extensively distributed all over

Australia it was clear that, although not produced in such quantities as heretofore, gold must constitute for centuries to come an important article of Australian export. (Hoar, hear.) Much interest having been evinced by some proprietors on the subject of the export of meat from Australia, he might state that, according to the most recent advices, the steamship Northam had been chartered to bring over the first experimental cargo, which would consist of three hundred tons of refrigerated meat. Twenty-seven thousand pounds had been subscribed by several large stock owners to make the experiment, and the Northam might be expected to arrive very shortly. After expressing his readiness to answer any enquiries, the chairman concluded by moving the adoption of the report.

The motion, having been seconded by Dr. Beattie, was unanimously adopted.

Upon the motion of Mr. Kershaw, seconded by Mr. T. D. Edwards, jun., the retiring directors were re-elected.

Mr. W. Westgarth moved, and General De Salis, C.B., seconded, the re-election of Mr. J. Q. Henriques as auditor, which was carried, and Mr. W. Botly was also elected an auditor in the place of Mr. Fitzgerald, retired.

A vote of thanks having been accorded to the directors, the Chairman, after acknowledging the compliment in suitable terms, said he would now ask them to join the board in a cordial vote of thanks to Mr. Brett and the other members of the colonial staff for their exertions during the past year. Mr. Brett was not only an able officer, but he brought his whole mind and talents to the task of promoting the bank's interests, and, zealously supported as he was by the colonial staff, it was thus that the considerable extension of the bank's business, to which he had drawn their attention, had been secured.

The motion, having been seconded by Mr. C. G. Barnett (a director), was adopted unanimously, and the proceedings closed with a warm vote of thanks to the chairman.

MERCANTILE BANK OF THE RIVER PLATE, LIMITED.

Report to the shareholders, presented at the sixth ordinary general meeting, held at London, 30th April, 1877:—

"The directors herewith present to the shareholders the report and balance-sheet for the year ending 31st December last. In making up the balance-sheet the directors have endeavoured to estimate the value of the assets of the bank so far as practicable. The principle they have adopted has been as follows:—All debts ascertained to be bad have been written off; provision has been made for the estimated loss upon doubtful accounts, bills, and depreciated securities; lands, houses, and similar properties, with the exception of the Pando Railway, which are at present unsaleable, or only realisable at prices that it would be injudicious to accept, are stated at the figures at which they were taken over by the bank. The directors do not, however, expect that these figures will be realised, and considering the large total of this item a considerable loss will doubtless have eventually to be submitted to under this head. As intimated in the circular issued in October last, the directors invited several of the shareholders, connected with the River Plate, to form a committee of consultation with reference to the realisation of important properties, but none of these gentlemen were prepared to act. However, the only property of any importance which has been dealt with since the last meeting is the Pando Railway. As regards this, the concession was dependent on the completion of the line within a certain time, and a number of heavy claims for land unpaid for were brought forward, so that under the special circumstances of the case it became indispensable to make terms with the concessionaires, and the best arrangement which was possible has recently been entered into by the general manager. In the balance-sheet this item has been estimated at the amount now agreed to be accepted. The directors regret to state that their efforts to arrive at a final settlement of the pending questions regarding the Monte Video Waterworks have not yet been successful. The Court of Commerce have decided the case in favour of the bank, but an appeal has been lodged, and in consequence of the delays of justice at Monte Video this appeal

has not yet come on for hearing. Since the last report the liabilities of the bank have been reduced by £998,882, and at the date of the meeting they will amount to about £460,000. The collection of outstandings in the River Plate has been proceeded with as vigorously as possible. During the last year there has been a complete stagnation of all business in real property; but according to more recent advices there are signs of improvement, although so far prices have not recovered to a satisfactory point. The expenses of management for the year, and especially for the first half, were necessarily very heavy. For some months past, however, the economies which it has been the object of the directors to introduce have come into effect, and this item may now be said to be practically at a minimum. The calls have, up to the present time, been responded to as follows: In respect of the £3. 10s. call, payment has been made on 41,975 shares; in respect of the first instalment of the £4. 10s. call on 40,328 shares; in respect of the second instalment of the £4. 10s. call on 38,037 shares. Mr. A. J. Lambert and Mr. C. P. Lumb have resigned their seats at the board. The directors retiring by rotation at the general meeting are Mr. Jean Lassalle and Mr. James Scarnichia, who will be proposed for re-election. Messrs. Cash and Stone, the auditors, also retire and offer themselves for re-election."

Balance Sheet of Head Office and Branches for the Year ending 31st December, 1876.

LIABILITIES.

<i>Dr.</i>		
Capital subscribed and called up, £1,000,000; less arrears, £80,434. 11s.		£919,565 9 0
Unclaimed dividend		10 0
Notes issued at Monte Video branch		376 2 6
Loans, debentures, and creditors in current account, partly secured		549,683 13 5
Deposits		37,815 13 0
Bills payable		2,213 11 7
Current depreciation account (provision made for depreciation in Buenos Ayres currency)		26,550 13 2
Balance of rebates		467 5 5
		£1,536,672 18 1

ASSETS.

<i>Cr.</i>		
Cash at head office and branches		£19,672 16 4
Bills receivable and bills discounted at head office and branches*		124,991 16 11
Advances in current account and sundry debtors*		182,332 16 11
Monte Video Waterworks debentures, and land and houses possessed by the bank—Pando Railway,* and bank premises at Monte Video*		566,547 16 3
Securities*		5,374 19 6
Bills overdue and doubtful accounts*		125,725 2 5
Bank furniture		11,532 15 1
Open policies and stamps in hand		61 11 11
Balance, being estimated loss, as per profit and loss account		500,433 2 9
		£1,536,672 18 1

* These items are stated less provisions made against them.

Profit and Loss Account, 31st December, 1876.

<i>Dr.</i>		
Expenses of management—including salaries, rent, taxes, and other expenses at head office and branches during twelve months		£23,131 10 4
Law expenses, telegrams and other extraordinary expenses		6,804 19 0

Depreciation of bank furniture	£2,804	3	5
Balance of good will purchase account	5,000	0	0
Bad debts written off by head office from branch assets ..	210,969	10	11
Provision for bad and doubtful debts	490,187	4	7
Provision against loss through depreciation of currency at Buenos Ayres	33,237	11	11
Loss realised in 1876, £6,686. 18s. 9d. ; reserve carried forward as per balance-sheet, £26,550. 13s. 2d.			

£772,135 0 2

Cr.

Balance of profits from 1875	£80,339	10	2
Apparent gross profits for the year ending 31st December, 1876, after making provision for rebate, and including overdue interest on Monte Video Waterworks debentures	59,430	4	6
Transfer of provision for bad and doubtful debts account ..	131,268	18	7
Income-tax recovered for year 1875	665	4	2
Balance, being estimated loss, carried to balance-sheet ..	500,433	2	9

£772,135 0 2

NATIONAL PROVINCIAL BANK OF ENGLAND.

REPORT of the directors, presented to the proprietors at the forty-fourth annual general meeting, May 10th, 1877:—

“The directors are glad to meet the proprietors, and to submit for their approval the forty-fourth annual report of the bank. The Bank of England rate stood at 2 per cent. from 19th April, 1876, till the 3rd inst., giving an average rate for 1876 of £2. 12s. 1d., being 12s. 3d. less than that for 1875. The long continuance of 2 per cent. has only one parallel—viz., from July, 1867, to November, 1868, a period of 16 months. The year 1876 was characterised by stagnation in almost every department of trade, and the business of banking, consequently, has been less profitable than in previous years. Owing, however, to the constantly widening range of the Bank's operations, and the careful investment of its resources, the directors have the satisfaction of recommending:—That the dividend and bonus now to be declared be 11 per cent. for the half year, being the usual 4 per cent. dividend, with a bonus of 7 per cent., making, with the distribution in January last, 21 per cent. for the year. That £34,055. 2s. 9d. of undivided profits, being the balance of £50,641. 5s. 6d. referred to in the last report, be carried forward to the account of the current year. It will be remembered that the latter sum was reserved to meet the increasing amount of dividend upon the new capital, until the same was fully paid and rendered productive. The statement of accounts herein contained will show that there has been a considerable increase of deposits—spread over the whole of the branches—and it may be stated that 3,140 new current accounts have been opened, exclusive of a large number of new deposit accounts. The following is the summary of the operations for the year, submitted in the form hitherto in use:—

Rest or undivided profits at 31st December, 1876, as exhibited at the annual meeting in May, 1876, viz. :—	£860,985	0	0
Less bonus declared and paid in cash in July, 1876	102,375	0	0
	£758,610	0	0
Add premium on new shares received up to December, 1876	141,390	0	0
Leaving	£900,000	0	0

net profits of 1876, after making allowance for bad and doubtful debts, and bonus to officers	308,538	17	3
Making	1,208,538	17	3
Add undivided profits from 1875	50,641	5	6
Total	£1,259,180	2	9
Deduct dividend on company's stock, paid 1876, £80,750; dividend on company's stock, paid January, 1877, £83,000; bonus of 6 per cent., paid January, 1877, £91,125; undi- vided profits to next year, £34,065 2s. 9d.	£248,930	2	9
Leaving	£1,010,250	0	0
Out of these profits the directors propose to declare, in addition to the foregoing dividends and bonus paid to proprietors, as above stated, a further bonus of 7 per cent. in July next, making a division of profits in 1876 in all 21 per cent. upon the paid-up capital, free of income-tax, amounting to	110,250	0	0

Leaving reserve invested in Government securities £900,000 0 0

Since the last annual meeting branches have been opened at Whitby and Burton-on-Trent, which give promise of success. Agencies to the Bangor branch have also been opened at Bethesda and Menai Bridge, to conserve the business of the bank in that district.

The following directors go out of office by rotation, but, being eligible for re-election, offer themselves accordingly, viz.:—John Oliver Hanson, Esq., George Hanbury Field, Esq., John Stewart, Esq.

It was mentioned at the last annual meeting that Mr. Edward Atkinson, after forty years of valuable services, desired to retire from his duties as joint general manager, and that Mr. Robert Fergusson, who had had considerable experience at several branches, especially as manager at the Manchester branch, had been selected to fill the vacancy occasioned by Mr. Atkinson's retirement.

Subsequently to that arrangement the directors, having regard to Mr. Holt's length of service and to the importance of having a gentleman thoroughly prepared to fill any vacancy that might occur, have appointed Mr. Robinson, an officer trained in the service of the bank, and for many years manager of the important branch at Middlesborough, to be a joint general manager.

Balance Sheet, 31st December, 1876.

<i>Dr.</i>	LIABILITIES.		
Paid-up capital	£1,575,006	0	0
Amount due by the Bank on deposits, &c.	26,848,277	7	10
Acceptances	700,348	15	3
Reserve fund, 1st January, 1876	900,000	0	0
Profit and loss balance	144,305	2	9
	£30,167,937	5	10

<i>Cr.</i>	ASSETS.		
Cash in hand—at Bank of England and branches, at call and short notice	£4,851,909	7	10
Government Securities	4,553,998	17	6
Indian Government and other securities, debentures, &c. .. .	2,865,836	9	2
Bills discounted, loans, &c.	17,411,162	14	1
Freehold premises, &c., in London and country—total amount, £636,254. 4s. 2d.; less, at credit of building fund, £151,224. 6s. 11d.	485,029	17	3
	£30,167,937	5	10

The Chairman said : Gentlemen, it is not a very difficult task for the chairman of to-day to describe the commercial state of affairs during the year 1876. It was evidently a dull year ; there was no elasticity in the trade of the country ; there was no buoyancy, and the rate of money, which, of course, affects us very much indeed, ruled very low. The average rate of the bank for the whole year was only £2. 12s. 1d., which was 12s. 3d. less than the year before, and in the year before it was even less than the preceding one. The cause for this state of things lies almost upon the surface, and must be known to every gentleman whom I address. The country had passed through a period of considerable prosperity and great expansion of trade, which has been followed by that inevitable reaction which takes place after such a state of things. Added to this no doubt much influence was caused by that war-cloud which hung so long over the East of Europe, and which has unhappily issued in the commencement of war. Although the state of trade was, as I have described, dull, with an absence of buoyancy, nevertheless the home trade was active and sound. In this country what is called the home trade must, at all times, be a very considerable trade, and, although the exports to foreign countries fall off considerably, still, even allowing for the reduction in the amount of exports, it will reach a very large sum indeed. In addition to that we were able to employ the considerable increase of deposits. The deposits for the year show something like the same increase they have done in former years, and that increase has been spread very evenly over the different branches of the establishment, and the result of that state of things is this, that we are able to pay again 21 per cent. for the year in the shape of dividend and bonus upon the shares of the company. That, of course, is a very satisfactory statement for us to make, and one which, we doubt not, will be equally acceptable to the shareholders who have to receive the amount ; but you will observe, in paying the 21 per cent., we are able to make no addition to the reserve, and we draw from the fund of £50,000 which we have carried forward for some time past, £16,000, or thereabouts, and, therefore, we shall only carry forward to next year £34,000 as a reserve fund. Happily for us, in more prosperous days, we have been able to bring that up to such a large sum, £900,000, that we can very well leave it as it is in times like the present. When prosperity returns I hope and believe we shall be able to bring that fund up to even larger figures than it now stands at. With respect to the £50,000, from which we propose to take £16,000, it will be in the remembrance of most gentlemen that that sum of £50,000 has been carried forward from year to year for the express object of meeting the state of things in which we find ourselves at present. We have to pay, as you are aware, upon a larger amount of capital than in former years, and this sum of £50,000 was carried forward for the express purpose of enabling us to equalise our dividends. I wish we could tell you that the stagnation and want of buoyancy in commercial matters had passed away, but at present they still continue. No doubt there will be increased activity in certain departments owing to the outbreak of war, but looking to the general trade of the country, although the amount is large, there is an absence of buoyancy, and the profits upon such trade are, of course, very much diminished from former years. All we have to do in this state of things is to wait patiently for better times ; we have to watch over the business, we have to extend it where we can safely, and to wait, as I have said, until better times arrive, when we may hope that our profits may be larger ; but, as you are aware, the profits of a bank like this must, to a considerable extent, depend upon the value of money. That value of money it is not in our power to influence or control, and if the rate of money becomes less, of course next year we shall not have, perhaps, the same good story to tell you that we have to-day. We have during the last few years, if not entirely rebuilt, enlarged the various banking premises of the company in the different large towns in which we carry on our business, and I am happy to say that in all our branches we are able to afford accommodation for any amount of business which may come to us. In addition to this—which is of more importance to a company of this sort than anything else—we have at those branches representatives and managers, able to cope with any description of business which comes

to them, and under their management, also, there is the rank and file of the staff, who carry on the business of the bank to our entire satisfaction. Now, gentlemen, with regard to the general managers, you will probably observe there are three gentlemen's names placed in the report as general managers of the bank. As we anticipated last year, towards the close of the year our friend Mr. Atkinson retired from the post of senior general manager, with the hearty good wishes of everybody connected with the bank; we at once elected him an honorary member of the board, and the bank, therefore, has the full advantage of his experience and great ability upon all subjects upon which we desire his opinion. My friend on my right, Mr. Holt, who I believe has been in our service even longer than Mr. Atkinson, now fills adequately, and to our entire satisfaction, the post of senior general manager. Mr. Fergusson, whose name I had the pleasure of bringing before you last year, now fulfils a considerable portion of the duties which were formerly performed by Mr. Holt; but we felt, although we hoped Mr. Holt would long be with us, yet, in the ordinary course of events, Mr. Holt might sooner or later wish to retire from the service, and we thought that, under those circumstances, it was only due to your interests, and to our own comfort in managing the bank, to appoint a third general manager, and we accordingly brought up Mr. Robinson from Middlesboro', where he had conducted the large business of that important branch to our entire satisfaction for a number of years. So, humanly speaking, we may look upon the staff of general managers as complete, under any circumstances, for many years to come, and I speak with the most perfect confidence that, with these three gentlemen, the interests of the bank will be well and efficiently cared for. And now, gentlemen, I have touched upon the points which I think likely to interest you, but I feel that no words of mine can give you that satisfaction with regard to the position of the bank which a careful study of the balance-sheet will do, and the more you look at that the more you will be satisfied, not only with the profit which we are enabled to give you to-day, but with the position which the bank occupies as a solid property, and it will be our constant endeavour from year to year, to present you with a balance-sheet which will bear any scrutiny which you may bring to bear upon it. The chairman concluded, moving the adoption of the report. Sir James S. D. Scott, Bart., seconded the motion, which was carried unanimously.

After some remarks from shareholders present, the following resolutions were unanimously adopted:—

That John Oliver Hanson, Esq., George Hanbury Field, Esq., and John Stewart, Esq., be re-elected directors of the company.

That the best thanks of the proprietors be presented to the directors for their very successful management of the affairs of the company.

That the best thanks of the proprietors be given to William Holt, Robert Fergusson, and Thomas George Robinson, the general managers, and to the branch managers and other officers of the company for their efficient services.

That the best thanks of the meeting be presented to the chairman, for his able conduct in the chair.

ORIENTAL BANK CORPORATION.

ANNUAL REPORT of the court of directors to the proprietors.

The directors have now to submit to the shareholders the general statement of affairs and balance sheet of the corporation for the year 1876. The accounts show a net profit of £158,329. 9s. 9d. (including £9,069. 17s. 4d. brought forward from the last account), after defraying current expenses, and providing for all bad and doubtful debts. A dividend of five per cent. for the half-year ended 30th June was paid in November last, and the directors now propose to pay a like amount, which absorbs £150,000 of the net profit, and leaves £8,329. 9s. 9d. to be carried to the credit of next year's account. Mr. Collmann, Mr. Arbuthnot, and Sir William J. W. Baynes, Bart., are the directors who retire by rotation. These gentlemen being eligible, offer themselves, and the court with

pleasure recommend them, for re-election. The meeting will have to appoint two gentlemen as auditors for the present year, and the court cannot give this intimation without an expression of regret that the death of Mr. T. W. L. Mac-kean has deprived the shareholders of the services of a gentleman who was in every way most highly qualified for the trust which he had held for the past ten years.

General Statement and Balance-sheet for the year ending 31st December, 1876.

LIABILITIES.

Dr.

Promissory notes in circulation not bearing interest ..	£775,824	0	7
Bills of exchange in circulation not bearing interest ..	5,687,086	1	6
Balances due to other banks	68,987	19	1
Cash deposited not bearing interest	3,961,114	15	3
Cash deposited bearing interest	7,829,910	18	9
Total due to the public	18,322,923	15	2
Capital paid up, £1,500,000; Reserved surplus fund, £450,000, Insurance fund, £50,000—£500,000; Dividends remaining unpaid, £2,633. 15s.; Balance of profit and loss after de- fraying all current charges £83,329. 9s. 9d.—Due to shareholders	2,085,963	4	9
	<u>£20,408,886</u>	<u>19</u>	<u>11</u>

ASSETS.

Cr.

Coin and bullion	£2,418,488	14	9
Balances due from other banks	724,840	7	0
Promissory notes or bills of other banks	38,457	4	7
	3,181,786	6	4
Government securities	2,027,206	7	6
Landed or other property of the corporation	261,977	3	10
Debts secured by landed or other property	87,865	7	4
Notes and bills discounted, or other debts due to the corpo- ration, not included under the foregoing heads, and exclu- sive of debts abandoned as bad	14,850,051	14	11
	<u>£20,408,886</u>	<u>19</u>	<u>11</u>

Dr.

Profit and Loss Account.

Amount paid as interim dividend for the half-year ending 30th June, 1876	£75,000	0	0
Balance	83,329	9	9
	<u>£158,329</u>	<u>9</u>	<u>9</u>

Cr.

Balance undivided at 31st December, 1875	£9,069	17	4
Amount of net profit for the year ending 31st December, 1876, after defraying current charges and providing for bad and doubtful debts	149,259	12	5
	<u>£158,329</u>	<u>9</u>	<u>9</u>

THE OTAGO AND SOUTHLAND INVESTMENT COMPANY, LIMITED.

Report presented to the thirteenth ordinary general meeting of shareholders, held at London, 9th May, 1877.

The directors submit the report and statement of accounts of the company for the year to 31st January last, showing a net profit of £8,948. 9s. 2d., including £1,323. 17s. 2d. brought forward from previous year. The 12,500 shares offered to the shareholders in June at 5s. premium per share were immediately taken up, and the paid-up capital amounts now to £62,500, while the reserve fund has been increased from £12,500 to £15,625, by the premium on these shares, £3,125 having been placed thereto. The usual interim dividend at the rate of 10 per cent. per annum paid to the shareholders in November, required £2,500, leaving for present distribution the sum of £6,448. 9s. 2d., which the directors recommend to be applied as follows, viz., £3,125 in payment of a dividend for the past half-year at 10 per cent. per annum on all the paid-up capital; £1,875 to the reserve fund, which would then amount to £17,500; and the balance of £1,448. 9s. 2d. to be carried forward to next account. The directors have pleasure in stating, that regarding the amount of money received on debenture, and the investment of the funds in New Zealand, the business of the company continues to prosper. Two directors, viz., Joseph Robert Morrison, Esq., and James Duncan Thomson, Esq., retire from office on this occasion, but, being eligible, offer themselves for re-election. The retiring auditors, Joseph Sawyer, Esq., and Charles H. Robinson, Esq., offer themselves for re-election for the ensuing year.

Dr. *Balance-sheet, 31st January, 1877.*

CAPITAL £500,000, IN 100,000 SHARES OF £5 EACH.

Capital:—50,000 shares £1 paid, £50,000; 12,500 shares £1 paid, £12,500	£62,500	0	0
Reserve fund £12,500; premium of 5s. per share on 12,500 shares, £3,125	15,625	0	0
Loans on debentures	314,261	0	0
Bills payable	15,800	0	0
Sundry creditors	918	15	10
Unpaid dividends	73	8	0
Capital and liabilities	409,178	3	10
Profit and loss:—Balance 31st January, 1876, £1,323. 17s. 2d.; net profit for the year, £7,624. 12s.; less interim dividend paid 10th November, 1876, £2,500	6,448	9	2
	£415,626	13	0

Cr.

Cash at bankers', and in hand	£241,785	18	10
Loans, investments, &c.	371,276	4	4
Sundry debtors	2,459	9	10
Property and assets	415,621	13	0
Exchange in New Zealand, New Account	105	0	0
	£415,626	13	0

Dr.

Profit and Loss Account.

Charges in London	£1,971	2	1
Charges in New Zealand	2,778	16	10
Exchange in New Zealand	100	0	0
Interest on debentures	15,741	6	3
Balance, being net profit	8,948	9	2
	£29,539	14	4

<i>Or.</i>						
Balance from last account	..	..	..	..	..	£1,223 17 2
Gross profit for the year	..	..	..	..	..	28,215 17 2
						<u>£29,539 14 4</u>

PROVINCIAL BANK OF IRELAND.

At the 52nd annual general meeting of the proprietors, held at London, 17th May, Sir William J. W. Baynes, Bart., in the chair,

The secretary, Mr. Charles Chambers, read the following report of the directors:—

The directors again meet the proprietors for the purpose of submitting to them the result of the bank's business for the past year, and to report upon the condition of trade and agriculture in Ireland. In consequence of the unusually dry weather which prevailed during the summer, the season of 1876 was not favourable to agriculture. Most grain crops were deficient, and straw, which has of late become so valuable, was very short. Turnips at one period threatened to be a complete failure, but the rain which fortunately fell in the autumn, had a beneficial effect, and a fair crop was the result. Potatoes were very abundant and free from disease, but they did not keep so well in pits as in former years. Hay, though sowed in excellent condition, was not more than half an average crop, and graziers had in consequence to sell a portion of their stock towards the end of the year at low prices, which under ordinary circumstances they would have had sufficient fodder to maintain during the winter. Foot-and-mouth disease, which was prevalent in the cattle districts last year, has disappeared, and the prospects of graziers are now fairly satisfactory. The linen trade still continues in a depressed state, and there seems to be little indication of its immediate revival. As might be expected, there were some failures during the year amongst those engaged in that important trade, but this bank has scarcely been affected by them. The corn trade in Cork appears to be recovering from the result of the large failures which had occurred in the early part of last summer, and this business would now seem to be in a more healthy condition. The directors deeply regret to announce the death, since the last annual meeting, of Mr. Thomas Hewat, the bank's valuable chief officer, after a long and faithful service of over forty-six years. He is succeeded by Mr. Samuel Gordon, lately the senior inspector of branches, a gentleman who has had very long experience of the business of the bank and its customers throughout Ireland. The attention of the proprietors is now requested to the following statement:—The account submitted to the yearly general meeting in May, 1876, showed the amount of rest or undivided profits at 25th March, 1876, to be £197,318. 12s. 10d., out of which there has been paid to the proprietors the amount of two half-yearly dividends, namely, at Midsummer, 1876, £40,500; at Christmas, 1876, £40,500—£81,000—leaving a balance of £116,318. 12s. 10d., to which there has been added the amount of net profits for the year ending on the 31st, being the last Saturday of March, 1877, after deducting property-tax and providing for bad and doubtful debts, £82,128. 17s. 8d., making the rest or undivided profits at 31st March, 1877, £198,447. 10s. 6d. The directors have now to announce their intention to pay, in July next, a dividend of 7½ per cent. on the capital stock of the bank, being £1. 17s. 6d. on each £100 share (on which £25 is paid up), and 15s. on each £10 share, for the half-year ending at Midsummer next, and they purpose also, as heretofore, to pay the property-tax for the proprietors.

The Chairman said: Before moving the adoption of the report, he proposed to follow the usual precedent, and to endeavour in a few preliminary remarks to impart to the meeting such other and fuller information, bearing on the interests of the bank, as he thought might be agreeable to them to hear. He commenced with a reference to the causes which had led to the continuance of a lower rate

of dividend than had prevailed in former years—failures in the corn trade, to which allusion was made at last year's meeting, and the low rate for money employed in London, which had prevailed throughout the whole of the bank's year—and stated that had it not been for these adverse circumstances their profits would have been sufficient to enable them to have made some advance towards the resumption of a higher rate of dividend. The general returns from Ireland for the year 1876 are not unsatisfactory, pauperism and emigration have decreased; whilst there has been a falling off in some exports others have increased, and though the agricultural classes may not have been altogether so prosperous, yet they can fall back upon the larger profits of former years. The Chairman then said: Among the immediate incidents to this bank of the last year, we have had to lament the loss by death, not only of our chief officer, Mr. Hewat, but also of two of the eldest and most esteemed of our directors, Lord Lisgar and Sir James Weir Hogg—separations in all three cases the more painful to their colleagues, not only from private friendship and regard, but from the length of time their labours had been associated together as fellow-workers in the service of the bank. The vacancy of chief manager has been filled by Mr. Samuel Gordon, a tried and efficient officer, and one in whom the board have the most implicit confidence. The vacancies in the direction it is not proposed to supply, the proprietors having, by a resolution passed at the extraordinary general meeting held on the 11th inst., decided to reduce the number of directors from sixteen to fourteen.

After summing up with a very satisfactory prospect for the future of the bank, he concluded by moving the adoption of the report—this resolution having been carried unanimously, the Chairman proposed the following resolution of the proprietors, which was carried unanimously: That their best thanks be accorded to Mr. Gordon, Mr. Chambers, Mr. Proctor, and the other officers of the staff generally, for their unremitting attention to the bank's interests during the past year.

Mr. Chambers having responded on behalf of the officers, the meeting terminated with a cordial vote of thanks to the directors.

At the adjourned special meeting the resolutions passed at a special meeting held on the 11th May, approving of the reduction of the number of directors from sixteen to fourteen, were unanimously confirmed.

ROCHDALE JOINT-STOCK BANK, LIMITED.

Report of the directors presented to the shareholders at the general meeting held 1st May, 1877.

The directors have pleasure in presenting to the shareholders the annexed statement of accounts for the half-year ending March 31st, 1877, which shows that, after payment of current expenses, and interest on deposits and current accounts, and providing for bad and doubtful debts, there remains (including a balance of £266. 17s. 11d. brought from last half-year) £1,353, which the directors propose to appropriate as follows:—£985. 4s. to the payment of a dividend at the rate of 7½ per cent. per annum, £105 to be added to the reserve, and £262. 16s. to be carried forward to profit and loss new account. A branch of the bank was opened at Wardle in December last, with satisfactory results, and the whole expense thereof, including furniture, has been charged to the revenue account of the half-year. The directors who retire by rotation are Messrs. James Sharrocks and Joseph Rushworth, but they are re-eligible.

Dr. Balance-sheet, March 31st, 1877.

Capital, being £4 per share on 6,568 shares	£26,272 0 0
Reserve fund	5,252 0 0
Lodgments on current and deposit accounts, &c. ..	94,285 15 1
Balance, being profit as per profit and loss account	1,353 0 0
	£127,162 15 1

<i>Cr.</i>					
Bills of exchange, credits, &c., &c.	..	..	..	..	£107,677 8 8
Cash in hand and with agents	..	..	..	..	17,241 10 7
Bank premises, fixtures, and furniture	..	..	..	..	2,243 15 10
					£127,162 15 1

Profit and Loss Account for half-year ending March 31st, 1877.

<i>Dr.</i>					
Current expenses, including interest on deposit and account current balances, directors' and auditors' remuneration, salaries, chief rent, rates, taxes, printing, stationery, stamps, &c., &c.	..	..	..	..	£2,051 5 10
Dividend account, for payment of a dividend of $7\frac{1}{2}$ per cent. per annum on £26,272, amount of paid-up capital on 6,568 shares	..	..	..	..	985 4 0
Reserve Account	..	..	..	..	105 0 0
Carry forward to profit and loss new account	..	..	..	..	262 16 0
					£3,404 5 10

<i>Cr.</i>					
Balance after providing for bad and doubtful debts—					
Balance September 30th, 1876	..	..	..	..	£266 17 11
Since added	..	..	..	..	3,137 7 11
					£3,404 5 10

THE STANDARD BANK OF BRITISH SOUTH AFRICA.

REPORT of the directors submitted to the twenty-seventh ordinary meeting of proprietors, 27th April, 1877.

The directors submit to the proprietors the accounts of the company for the half-year ending 31st December, 1876, showing a profit, after payment of charges, appropriation to bank premises and furniture accounts in South Africa, making full provision for all bad and doubtful debts, and inclusive of the balance of £5,512. 16d. 1d. brought from the previous account, of £88,670. 10s. 6d., which they recommend should be disposed of as follows, viz.:—To rebate on bills discounted £29,624. 18s. 9d.; to dividend of 25s. and bonus of 5s. per share on 24,000 shares (being at the rate of 12 per cent. per annum) £36,000; to reserve fund (making it £170,000) £20,000; to balance carried forward to profit and loss new account £3,045. 11s. 9d. Total £88,670. 10s. 6d. In accordance with the articles of association, two of the directors, viz., Robert White, Esq., and Samuel Hyde, Esq., retire from office at this meeting, and, being eligible, they offer themselves for re-election. James Glegg, Esq. (of the firm of Messrs. Quilter, Ball, & Co., accountants), and William Whiteford, Esq., the auditors of the company, likewise retire from office, and, being eligible, offer themselves for re-election.

Balance Sheet, 31st December, 1876.

LIABILITIES.

<i>Dr.</i>					
Capital, viz.—24,000 shares, £25 called up	..	..	..	..	£600,000 0 0
Circulation—notes £246,351; post bills £13,637. 3s. 4d.	..	..	..	..	259,988 3 4
Liabilities on deposit and current accounts	..	..	..	..	2,718,008 11 8
Bills payable and other liabilities	..	..	..	..	814,755 9 11
Bills received for collection	..	..	..	..	823,171 1 10
Reserve fund	..	..	..	..	150,000 0 0

Profit and loss, viz.—Balance 30th June, 1876, £5,512. 16s. 1d. ;		
Net profit for half-year ending 31st December, 1876, after making full provision for all bad and doubtful debts £53,532. 15s. 8d. ; rebate on bills discounted and not yet due, £29,624. 18s. 9d.		88,670 10 6
		<u>£5,454,591 16 10</u>

<i>Cr.</i>	ASSETS.	
Cash with bankers and at branches		£794,945 13 4
Bills discounted, remittances from branches, advances on securities, &c.		3,761,962 19 6
Bills receivable, as per contra		823,171 1 10
Freehold premises in London		22,746 5 2
Bank premises, furniture, fittings, &c., in South Africa ..		51,765 17 0
		<u>£5,454,591 16 10</u>

<i>Dr.</i>	Profit and Loss Account.	
Charges, including rent, salaries, taxes, remuneration to directors and auditors, and all other expenses at head office and branches		£30,061 8 3
Balance carried down		88,670 10 6
		<u>£118,731 18 9</u>

<i>Cr.</i>		
Gross profits (including balance of £5,512. 16s. 1d. brought forward from half-year ending 30th June, 1876), after deducting interest on deposit and current accounts, duty on note circulation, appropriation to bank premises, furniture and fittings, and making full provision for all bad and doubtful debts		£118,731 18 9
		<u>£118,731 18 9</u>

<i>Dr.</i>	APPROPRIATION.	
Rebate on bills discounted, and not yet due		£29,624 18 9
Dividend of 26s. per share, and bonus of 5s. per share (being together at the rate of 12 per cent. per annum)		86,000 0 0
Reserve fund (making it £170,000)		20,000 0 0
Balance carried forward to profit and loss new account ..		3,045 11 9
		<u>£88,670 10 6</u>

<i>Cr.</i>		
Balance brought down		£88,670 10 6

<i>Dr.</i>	RESERVE FUND.	
Balance		£170,000 0 0

<i>Cr.</i>		
Balance, 30th June, 1876		£150,000 0 0
Transferred from profit and loss, 31st December, 1876 ..		20,000 0 0
		<u>£170,000 0 0</u>
Balance, 31st December, 1876		£170,000 0 0

SILVER COINAGE FOR CHINA.

A RECENT letter from the correspondent of the *Times* at Shanghai contains the following remark:—"The question of a Chinese mint is being again agitated, but it is very questionable whether the organization of the Government is sufficiently strong to carry out the design, even if the attempt were resolved on. I mean that the corruption of the officials is so systematic and intense that it would be almost impossible to maintain the purity of the coinage. It is sincerely to be hoped that this view may be mistaken, and the scheme found practicable. A practicable coinage is one of the greatest wants of the country." We gave, in our number of March last, an account of an interesting discussion on this subject which took place in the Chamber of Commerce at Hong Kong. A coinage of British trade dollars, guaranteed as to value by the stamp of our Government, appears to be certainly needed at the present time.

CLEARING HOUSE STATISTICS.

SIR JOHN LUBBOCK, as honorary secretary of the London bankers, has supplied the subjoined statistics, showing the working of the Bankers' Clearing-House for the year ending on the 30th of April, 1877, which is the tenth during which these statistics have been collected. The total amounts for the ten years have been:—

	Total for the Year. £	On Fourths of the Month. £	On Stock Exchange Account Days. £	On Consols Settling Days. £
1867-68	3,257,411,000	147,113,000	444,443,000	132,293,000
1868-69	3,534,039,000	161,861,000	550,622,000	142,270,000
1869-70	3,720,623,000	168,523,000	594,763,000	148,822,000
1870-71	4,018,461,000	186,517,000	635,946,000	169,141,000
1871-72	5,359,722,000	229,629,000	942,446,000	233,843,000
1872-73	6,003,335,000	265,965,900	1,032,474,000	243,561,000
1873-74	5,893,586,000	272,841,000	970,945,000	260,072,000
1874-75	6,013,299,000	255,950,000	1,076,585,000	260,338,000
1875-76	5,407,243,000	240,807,000	962,595,000	242,245,000
1876-77	4,873,000,000	231,630,000	718,793,000	223,756,000

The total amount of bills, checks, &c., paid at the Clearing-House during the year ending the 30th of April, 1877, shows, therefore, a decrease of £534,243,000 as contrasted with 1876. The payments on Stock Exchange account days form a sum of £718,793,000, being a decrease of £243,802,000, as compared with 1876. The payments on Consols account days for the same period have amounted to £223,756,000, showing a decrease of £18,489,000 as compared with 1876. The amounts passing through on the fourths of the month for 1877 have amounted to £231,630,000, showing a decrease of £9,177,000 as compared with 1876.

From the above figures Mr. Henry Jeula has compiled the following table showing the percentage upon the annual totals passed

through the Bankers' Clearing-House, of clearances on the fourths of the month, on the Stock Exchange account days, and on Consols settling days, with the proportion of clearances on all the three special days taken together, compared with the amounts passed on the other days of the month, for ten years from 1867-68 to 1876-77.

	PERCENTAGE OF ANNUAL TOTAL.								
	1867 to 1868.	1870 to 1871.	1871 to 1872.	1872 to 1873.	1873 to 1874.	1874 to 1875.	1875 to 1876.	1876 to 1877.	Mean of 10 Yrs.
Amount passed on the fourths of the month ..	4.52	4.64	4.28	4.43	4.55	4.26	4.46	4.75	4.50
Amount passed on the Stock Exchange account days..	13.64	15.83	17.58	17.20	16.20	17.90	17.80	14.75	16.25
Amount passed on Consols settling days	4.06	4.21	4.36	4.06	4.34	4.38	4.48	4.59	4.25
Total passed on the three special days	22.22	24.68	26.22	25.69	25.09	26.49	26.74	24.09	25.00
Amount passed on the other days of the month	77.78	75.32	73.78	74.31	74.91	73.51	73.26	75.91	75.00
	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Percentage of annual increase	..	8.01	33.38	12.01	..	0.33	..	..	..
Percentage of annual decrease	..	..	..	..	0.16	..	10.08	9.88	..

NOTE.—The comparative constancy of the proportions of the annual totals passed on the fourths of the month, on account days, and on settling days, is interesting, especially when taken in relation to the remarkable fluctuations in the aggregate totals each year.

Notices of Books.

The Bankers' Almanac and Register for 1877. Edited by B. HOMANS, Jun. Published by I. S. Homans, New York.

THE American Bankers' Almanac maintains, in its twenty-sixth annual volume, the high character for accuracy and care which it has long held. The volume gives full and carefully corrected lists of the national banks, State and private bankers, of every city and town in the United States. The capital and surplus funds of the national banks are given; these have been usually obtained from official sources. The other banks report their own capital, and particulars are given as far as obtainable. The names of the president and cashiers of the national and State banks are also supplied, and the New York correspondents of all the banks. Particulars of this description must, it is obvious, be indispensable to all who have business transactions with the United States.

The volume is published at the office of the American Bankers' Magazine, a very ably conducted periodical, which contains much useful and interesting information as to the progress of banking and business in America.

Standard Facts and Figures. Edited and compiled by A. G. SULLIVAN. New York : Norton & Dumont, 1877.

This little volume forms an epitome of useful information connected with banks and banking in the United States, the rates of commission in force at New York, as recommended by the Chamber of Commerce in that city; the rates of sterling exchange for each day in 1876; and many other items which will be of service to those whose business lies in connection with the United States.

The English Manual of Banking. By ARTHUR CRUMP. Second edition. London : Longmans, Green and Co. 1877.

The fact that a second edition of a practical work of this nature has been called for, shows that a desire for information on the subject must be widely diffused. And this is a very desirable thing. It is very desirable that those who are interested in the good management of banks should have some knowledge as to the manner in which the business of banking is carried on, and the principles on which good management may be obtained. And in those who are interested in the prosperity of banking we must now include nearly every class, if not quite every class, of persons in the community. The number of persons who either keep accounts with a bank, or are shareholders in a bank, is now very large indeed. And all these persons have a stake, and a considerable stake, in the prosperity of banking.

Mr. Crump has bestowed much labour and thought on this new edition of his book. It contains a history of the foundation and commencement of banking, both in this country and in Europe, which will be interesting to the general reader. Those actually engaged in business will find the latest information as to the law with regard to cheques, bills of exchange, the assignment of policies of assurance, and many other practical matters which it is exceedingly convenient to have thus in an easily available form.

Among the most valuable chapters in the volume are those on bank management, discount and loan business, credit and the foreign exchanges. The first of these contains many exceedingly valuable remarks, marked by the shrewd common sense of a keen and practical mind, on the position of banking in this country at the present time. Constant and unremitting attention, Mr. Crump reminds us, is essential to success in business, and this attention he thinks there is reason to fear has been greatly diminished through the gradual aggregation of business in the hands of few persons managing concerns which are over large in proportion to the number of those engaged in carrying them on. Mr. Crump's remarks on this branch of the subject are most valuable and suggestive, and we prefer to give them in his own words.

"One of the great defects as regards organization lies in the fact that in banks, for example, it is almost impossible to keep up a sufficient supply of well fitted and properly qualified managers. Joint-stock banks grow and pay larger and larger dividends, and, indeed, increase their capital as a safeguard against the risks necessarily arising from the wider area of their operations; but they think it superfluous to multiply and educate the managers and departmental managers. A bank manager should have at least some commercial experience, which is only to be gained by practical experience as a trader, or in a trader's office. How can any man hold his own against the tricks of traders when he never had any practical ex-

perience of them? One man, moreover, can only do the day's work of one man. If he is set to do the work of two, he either does everything badly and loses the money of the proprietors, or he breaks down in his efforts to keep pace with the too great calls upon his powers, and eventually dies of softening of the brain. This is not unfrequently happening in London, and is a circumstance, in connection with joint-stock banking, of the gravest importance.

"Whatever diminishes the interest of the labourers in their work is injurious to the work. England and France have in many things shown opposite tendencies. France has been developing the system of *société en commandite* or the spreading of capital, so that little money shall be managed by many heads, while England has been collecting her floating capital into unmanageable heaps and economising the management of it to such a point that there is little exaggeration in the statement that during a large portion of their career the English joint-stock banks are in their working not very far from automatic. Every bank naturally endeavours to attract to itself clients whose drawing and discount accounts require but little looking after." Pp. 122-3.

These are sound and carefully weighed remarks. Of all the sources of weakness to a bank, "deficiency of good management is the most dangerous by far." Mr. Crump continues: "No single individual can grasp with his intellect more than a certain number of threads of thought. Those who possess this power more strongly than others are usually not men of business, but are people accustomed to the kind of reasoning which requires a higher atmosphere for its development, where the details so necessary to be taken account of in business are matters of secondary importance. A manager of business affairs who has too much to manage will mismanage everything." Pp. 125-6.

"It is quite possible to conceive a bank overburdened with that all-important element—deposits, and the bad business that the joint-stock banks have transacted from time to time has been largely due to the weakness thus occasioned. It is obvious that for a bank to hold large amounts of deposits, which it cannot profitably employ, is a weakness, as the manager is always in danger of being tempted to do bad and risky business in order to avoid making a loss upon money which, when offered to him as a deposit, he does not like to refuse, for fear of diverting to his rivals in the trade that which will enable them more successfully to compete with himself. The public is more naturally disposed to trust large institutions, just as people always feel safer in going to sea in the biggest ships, and generally think big people better informed than little ones. The big banks consequently stand a much better chance of becoming bigger than small ones, and especially new small ones. Where it is a question of reposing confidence, size is the attractive power; it always has been, and it always will be. As the world gets older small organizations for carrying on the business of the people who live in it are in less request, and large ones in greater demand. Everything is larger in these days, to meet the larger demand and the bigger ideas of modern society.

"With less power to do more work, what results? If we can imagine an engine driver, who had too heavy a load for his machine to draw, persuading the railway company to alter the gradient so as to give him the assistance of the law of gravitation, instead of furnishing another engine, we should conceive approximately an illustration of the erroneous principles which have been applied to the working of some of the joint-stock banks whose business has very largely increased. Instead of paying five, or at most say, ten thousand a year more in salaries to extra managers, money

has been lost in huge amounts in the endeavour to accomplish with inadequate means the same results which the extra managers would probably have successfully achieved." Pp. 127-8.

The chapter on the foreign exchanges contains a vast amount of information; the statements of the different "specie points" at which, under ordinary circumstances, bullion begins either to flow into or out of this country, will be found very valuable for reference, in assisting bankers to form a correct judgment as to the probable course of the influx or the reverse of the precious metals. Mr. Crump gives the latest information as to the annual production of gold and silver; while giving due weight to the results which may follow from the increased production of silver, he is a staunch supporter of the sound axiom that one metal alone can be the standard of value in the same place, and at the same date.

We can thoroughly recommend Mr. Crump's manual to those who desire to obtain dependable information on the subject of banking in the present time.

The Chairman's Handbook; Suggestions and rules for the conduct of Chairmen of Public and other meetings, drawn from the procedure and practice of Parliament; with an introductory letter addressed to the Right Honourable the Speaker of the House of Commons. By REGINALD F. D. PALGRAVE, the Clerk-Assistant of the House of Commons. London: Knight & Co.

Bankers are so frequently called on to take the chair at public meetings that, we are sure, they will be glad to have their attention called to this compact, concise, and handy manual of the method according to which the proceedings at such meetings should be regulated. Carefully worded rules are given in it as to the election of the chairman of a meeting, his responsibility and authority, the mode of putting the question upon a motion, and on amendments to a motion, on motions for adjournment, and the "Previous Question," and on the withdrawals of motions and amendments.

Mr. Reginald Palgrave, who is already known to the public as the author of a volume on the House of Commons, with illustrations of its history and practice, remarks, in the introductory letter to the Speaker of the House of Commons, which forms his preface: "My object is not to prescribe for the special requirements either of a board or a public meeting, but to show, on general principles, how, following the Parliamentary system, chairmen should be chosen, how they should guide discussion, and put motions to the vote. Rules, also, have been added defining certain elementary conditions for the due conduct of debate, based on Sir T. Erskine May's Treatise on Parliamentary Practice; an acknowledgment, indeed, which applies to the whole of my effort.

"As the sound usage under which the House of Commons regulates deliberation is the result of English common sense, acting with precision and uniformity for at least three centuries, it may be presumed that this usage harmonizes with our national cast of thought, and needs no elaborate argument to explain or to enforce its merits." Pp. v., vi.

"If, however, these pages accomplish a general explanation of the method on which the House of Commons transacts business, they will not be useless. For, to quote that eminent authority to whom I have already referred, 'The confusion which may arise from any irregularity in the mode of putting amendments is often exemplified at public meetings, when fixed principles and rules are not observed, and it would be well for persons in the habit of presiding at meetings of any description, to make themselves

familiar with the rules of Parliament in regard to questions and amendments, which have been tested by long experience, and are found as simple and efficient in practice as they are logical in principle." (*Introductory Letter*, pp. viii., ix.)

The little volume is very well and clearly printed, with a table of contents, a list of rules for the guidance of chairmen of meetings, and an index. The rules themselves are clearly drawn up, and are carefully separated from the method of procedure. We mention these points because they greatly add to the utility of the work. The book is exactly one which every chairman of a public meeting will be glad to have in his pocket, and the careful and complete arrangement of the contents of the little volume will make them most conveniently accessible for reference at the very moment at which they are wanted.

Communications.

To the Editor of the "Bankers' Magazine."

STAMPS ON DIVIDEND WARRANTS.

SIR,—Please to inform me if the following order is liable to the stamp-duty of one penny.

"Auction Mart Company Limited. Dividend for the year ending 14th November, 187 , payable at the bank of at on and after Friday, 22nd December, 187 , dividend on four £5 shares, £4 paid, at £5 per cent. 16s. 30th December, 187 . Received payment of the above sum of Sixteen shillings sterling.

(Name.)"

The banker says they are settled at the end of the day by one cheque on the Auction Mart account, but I am of the opinion that each order should be stamped before payment. Yours faithfully,

CASHIER.

[Penny stamps are usually affixed to all such documents, and we have no doubt that such a course is necessary in order to satisfy the Stamp Act 1870. Ed. (Law Dep.) B. M.]

CHEQUE PAYABLE TO BEARER.

SIR,—A cheque is drawn in favour of John Brown or bearer, and indorsed :—

"John Smith.

"Pay James Jones or order.

"WILLIAM ROBINSON."

Is the banker on whom it is drawn justified in refusing payment by reason of the want of Jones's indorsement?

Yours truly,

LEDGER KEEPER.

[We should say not. See *Hare v. Copland*, 13 W., Com. Law Rep. 430.—Ed. (Law Dep.) B. M.]

LIABILITY OF LIMITED COMPANIES.

SIR,—Take the case of a "limited company" with a capital of £50,000 in 5,000 shares of £10 each, 4,000 of which shares have only been subscribed for and taken up, and on these 4,000 shares the amount of £10 has been called up and paid. Are the shareholders of that company, not-

withstanding the "Limited Liability Act," liable to the general creditors of the company for the whole capital, £50,000, which includes the 1,000 shares not subscribed for and taken up, or are they only liable for the £40,000 actually subscribed?

The fact that the question has been raised will surprise many, but I am informed that in a recent decision given by one of the judges an opinion was expressed indicating that shareholders of a "limited" company were liable for the unissued shares of the company.

Would you oblige us with your opinion on the point?

Yours truly,

A COUNTRY BANKER.

[Generally speaking, a shareholder in a limited liability company is only liable to the extent of the shares held by him. If not fully paid up he is, of course, liable to pay up any part of the amount of shares not paid up at the time the company goes into liquidation. The case you refer to is a most exceptional one, which does not disturb the general rule of law. We will refer to the case in our next issue.—Ed. Law Dep.) B. M.]

DISHONOUR OF CHEQUE.—CUSTOM AS TO KEEPING THIS FOR ONE DAY.

A cheque on the — Bank is duly received from another bank for collection, the amount to be paid over to their credit at the London Agents' of the remitting bank.

The cheque having been sent *direct* (instead of through the Clearing House) for the purpose of saving time, is it lawful for the bank on which the cheque is drawn to hold it until the following day? By so doing is not the bank running the risk of making itself responsible for the amount, as the remitting bank may consider the cheque paid, when it has not been returned in the ordinary way? I notice your answer with reference to bills in January number, and presume this applies as well to cheques.

CIMLA, South Wales.

[The same rule applies.—Ed. (Law Dep.) B. M.]

ENDORSEMENT OF CHEQUES.

DEAR SIR,—I shall be obliged by your kindly giving me your opinion upon the following points, viz.: 1st. A cheque is drawn payable to "Messrs. Smith and H. Jones or order." Is it necessary for both parties to sign the instrument thus:—

J. SMITH.

H JONES,

or would not the drawers' desire and intention be fulfilled by such an endorsement as:—

"P. pro. J. SMITH and self.

H. JONES,"

and would not a banker paying on such an endorsement be held to have exercised all necessary care and diligence?

A cheque so drawn was returned a few days since, requiring the endorsement of both payees, but my idea was that the "pr. pro." endorsement of one of them should have been taken. 2nd. The second point is as follows: A. draws a cheque payable to "self" and erases the words "or order," or "or bearer," as the case may be. Should such a cheque be cashed when A. does not come for the cash himself, does not endorse it, but sends an unknown messenger?

I contend the direction to the bankers is to pay "Self" only, and that

therefore they would not be justified in paying anyone but the drawer, without his endorsement. 3rd. What is the definite meaning of the expression "or order"? If a cheque is drawn payable to "John Smith or order," does it, or does it not, offer one the alternative of paying the cheque to "John Smith" himself without requiring his endorsement or "order" (if John Smith negotiates the cheque then it must necessarily bear his endorsement), or must the phrase "or order" be taken as part of the instrument and not as a grammatical disjunction and so require "John Smith" to endorse the cheque before he can receive payment?

Yours truly, BRANCH AGENT.

[I. The cheque must "purport" to be endorsed by both payees. See 16 and 17 Vict., cap. 59.

II. Payment should be refused.

III. John Smith's endorsement is necessary.—Ed. (Law Dep.) B. M.]

SIR,—I shall feel obliged by your answering the following.

Yours obediently,

C. A. M.

If a draft at sight, issued pursuant to Act 9 Geo. IV., cap. 23, drawn by a country banker on its London agent be crossed, does the crossing make the instrument equivalent to a crossed cheque; i. e., does it prevent the bank upon which it is drawn from paying the draft across its own counter to a private individual?

[We know of no decided case in point, but it would probably be decided by the custom of bankers. We should say that a draft so crossed should not be paid.—Ed. (Law Dep.) B. M.]

ENDORSEMENT IN PENCIL.

SIR,—Will you allow me to ask if an endorsement on a cheque in "pencil" is legal, and oblige

Yours faithfully,

PERCY MAY.

[Answered in our number for last April.—Ed. B. M.]

OFFICE OF JURYMEN.—BRANCH BANK MANAGERS.

SIR,—I see in your issue for this month that the Chairman of the Lurgan Quarter Sessions has decided that branch bank managers *as such* are not liable to be called on to serve as jurymen. That is, under "The Jurors Qualification (Ireland) Act, 1876."

Is that relief confined to Ireland, or is there a similar provision in favour of England and Wales? I had the inconvenience forcibly impressed upon me some three years ago. I was summoned to attend as a jurymen at the Easter Sessions—the first appearance having to be made on Good Friday itself; business, however, being put off until the next day.

I had arranged to be away on important private business in Herefordshire, having taken advantage of the Easter holidays.

Trusting to others being able to attend at Carmarthen with less inconvenience than I was, I did not go.

Similar trustfulness, however, appeared to be general, and the consequence was that at the critical moment there were not enough to form a jury. There was one short I understand.

The Chairman, Sir Hardinge Gifford, Solicitor-General, was inclined to teach us, and through us, others a lesson.

He fined us five pounds each. I appealed and offered what I think was a fair excuse, but to no purpose. I had to pay.

Many, I think, will be obliged to you for an opinion as to the liability of branch managers—as such—to serve on juries.

Yours faithfully,

Llanelly.

J. BEAVAN PHILLIPS.

[We do not know of any similar provision.—ED. (Law Dep.) B. M.]

THE SILVERSMITHS' "FREE-TRADE ASSOCIATION."

Mr. Edward J. Watherston, of 12, Pall Mall East, has called attention to the objects of this association which are (1) to obtain the abolition of the duties now levied upon gold and silver plate; (2) the abolition of the licence now payable (£5. 15s.), or the extension of the licensing system upon a reduced scale to all trades alike; and (3) to obtain a revision of the laws relating to Hall marking, with special reference to gold wares of a lower standard than 18 carats fineness.

We will leave Mr. Watherston to deal, as he is well able, with the second and third of these subjects—but he has our entire sympathy in his endeavour to obtain the first of them. That gold and silver plate should be subject to a heavy tax while the imitations of them by means of the electrotypes process should be free from any duty is indeed an extraordinary anomaly. Nor is it to be wondered at that under these circumstances the amount of silver plate yearly manufactured should be small, and should not increase with the great growth of the wealth of the country. The quantity of silver plate manufactured indeed appears to be actually less than it was twenty years ago.

In 1855—994,360—ounces of silver were marked.

In 1875—886,493 do. do.

The gross revenue received from the tax on the manufacture of silver was only £63,575 in 1874, but the cost to the public is far larger than this, as the tax is in the first instance paid by the manufacturer who has to charge the retailer a higher profit on his gross outlay. It does not seem probable that the Chancellor of the Exchequer can for some time to come feel free to relieve the country from any important taxes, and he may hence hesitate before he gives up even this small source of income; but it may be worth his while to consider whether the impetus to the manufacture of silver which the remission of the duty on silver plate would doubtless impart might not tend to raise the price of silver in a distinctly appreciable degree. The price of silver is strictly speaking rather a question for the Indian than for the Home Government to consider, but the gain and loss in the two portions of the Imperial dominions are so closely connected that what concerns the one is a matter of interest to the other also; and looking at the question from the point of view of the price of silver, we wish Mr. Watherston every success in the undertaking he has in hand. We are glad to see that the subject attracted Mr. Thomson Hankey's attention in the course of the debate on the Budget on the 12th April, and we hope he will continue to keep it under notice till the repeal of the duty has been obtained.

TENDERS FOR BILLS ON INDIA.

The tenders for £265,000 in bills and telegrams on India were received 25th April, at the Bank of England. The amounts allotted were—to Calcutta, £155,000, at an average rate of 1s. 9·096d.; and to Bombay, £65,000, at an average rate of 1s. 9·027d. Tenders on all Presidencies at 1s. 9d. receive in full; no allotment below.

The tenders for £265,000 in bills and telegrams on India were received 2nd May, at the Bank of England. The amounts allotted were:—To Calcutta, £180,000, at an average rate of 1s. 8-9d.; to Bombay, £119,000, at an average rate of 1s. 9d.; and to Madras, £11,000, at an average rate of 1s. 8-75d. Tenders on Calcutta and Madras at 1s. 8½d. for telegrams receive about 73 per cent. bills at that price and all above in full. On Bombay, all at 1s. 9d. in full; nothing below. In addition to the £265,000 advertised for tender to-day, the above allotment includes £45,000 not allotted on the 25th ult., making in all a total of £310,000.

At the Bank of England 9th May, the tenders for £265,000 in bills and telegrams on India were received. The amounts allotted were:—To Calcutta, £243,200, at an average rate of 1s. 9 1-25d.; and to Bombay, £21,800, at an average rate of 1s. 9 1-25d. Tenders on all Presidencies for telegrams at 1s. 9½d. receive about 21 per cent., above in full.

The tenders for £265,000 in bills and telegrams on India were received 16th May, at the Bank of England. The amounts allotted were—to Calcutta, £214,900, at an average rate of 1s. 9 0-6d., and to Bombay, £50,100. Tenders on all Presidencies for telegrams at 1s. 9d. receive about 6 per cent. Bills at that price and above in full.

The tenders for £265,000 in bills and telegrams on India were received 23rd May at the Bank of England. The amounts allotted were:—To Calcutta, £17,500, at an average rate of 1s. 8-83d.; to Bombay, £85,500, at an average rate of 1s. 8-75d.; and to Madras, £1,000, at an average rate of 1s. 8-75d. Tenders on Calcutta and Madras for bills at 1s. 8½d. will receive in full, telegrams at that price *nil*. On Bombay, telegrams at 1s. 8½d. will receive about 90 per cent., all above in full.

Monthly Notes.

SPEAKING of the new *Russian Loan*, of which various rumours have been lately in circulation, the "*Semaine Financière*" says that is not a "loan" in the ordinary sense of the term, but an advance for a short term. The amount is 75,000,000*fr.*, or £3,000,000, and it has been arranged for by a group of bankers, half the money being raised in Paris and half in Berlin. The money is raised, it is said, with the object of making the payment of interest on the exterior debt of the Empire secure, and the option has been reserved to the syndicate of increasing the advance by another £1,500,000. As security the lenders will receive Russian five per cent. stock at such a discount as will afford them "a sufficient margin for eventualities," and they have also obtained the advantages of a preferential right to the allotment of so much of any funded loan which may be issued at a future date.

The Queen has issued a Royal Commission "to inquire into the origin, objects, present constitution, customs, and usages of the London Stock Exchange, and the mode of transacting business in and in connection with that institution, and whether such existing rules, customs, and mode of conducting business are in accordance with law and with the requirements of public policy, and if not, to advise us in what respect they might be beneficially altered." The Commissioners are Lord Penzance, Lord Justice Blackburn, Mr. Walpole, M.P., Mr. Bouverie, Mr. E. Stanhope, M.P., Sir N. M. Rothschild, M.P., Mr. H. H. Gibbs, Mr. B. B. Green, Mr. J. Hollams, Mr. C. J. Kennard, Mr. S. E. Scott, and Mr. Reginald Yorke, M.P.

The liquidators of the Western Bank of Scotland give notice, that in virtue of an agreement with the National Bank of Scotland, they have transferred to the said National Bank of Scotland the remaining assets and liabilities of the said Western Bank of Scotland as they existed at the date of the said agreement.

The prospectus is issued of the National Mortgage and Agency Company of New Zealand (Limited), the object being to raise money upon debentures, with a view to lending it to the owners of estates or other property in New Zealand. It is further intended to carry on an agency business with the runholders, sheep farmers, and others, to whom advances will be made upon their stations, cattle, sheep, and wool-clip, and to make advances on bills of lading of wool and other colonial produce. The capital is £1,000,000, in 100,000 shares of £10, of which it is proposed now to issue one-half, 15,000 being reserved for New Zealand. The head office will be in London.

The total new gold coined at the German mints, according to the return, extending to April 21, was £71,760,000, or or 1,435,230,610 marks.

According to the New York *Chronicle*, it is doubtful whether any financial measures will be adopted by the approaching session of Congress, "but it is generally understood that Secretary Sherman will press, at the first opportunity, his plans for funding, through the negotiation of a long 4 per cent. bond, all the old bonds that are now or will shortly become redeemable."

It is stated that the Colonial banks of New Zealand and New South Wales have arranged with the New Zealand Government to find them what money they may require for the next two years, so as to prevent any necessity for coming to the London money market during that period. The required money is to be supplied at a rate very little, if any, above English loan rates.

With reference to the recent case of "*Johnson v. the Crédit Lyonnais*," where a vendor was permitted by the vendee to remain in possession and ostensible ownership and power of disposition of certain dock warrants, and of "*Johnson v. Blumenthal*," where a vendee was permitted to have possession of documents of title, but the goods were retained in the possession and subject to the lien of the unpaid vendor, a "Factors' Acts Amendment Bill" has been brought into the House of Commons, and proposes the following remedial enactments:—

"Sec. 2. That where a person has been intrusted as an 'agent,' a secret revocation of his authority shall not prejudice a person who has made advances bona fide and without notice of the revocation.

"Sec. 3. That where a vendor is permitted to retain the documents of title the Acts shall extend to protect advances, &c., made to him on those documents without notice, &c.

"Sec. 4. That where a vendee is permitted to have the documents of title the Acts shall extend to protect advances, &c., made to him on those documents without notice, &c.

"Sec. 5. That pledges, &c., to which validity is given by the Acts, shall have effect notwithstanding any lien or right of stoppage.

"Sec. 6. That transfers of dock warrants, &c., shall have the same effect under the same circumstances as bills of lading have against liens and rights of stoppage."

The will of the late Mr. J. P. Heywood, the head of the banking firm of Arthur Heywood, Sons, & Co., who died on the 9th inst., has not yet been proved, but it is stated that the estate of the deceased will be proved under two millions and a half sterling. Mr. Heywood had no children, and he leaves to his widow a handsome legacy, together with a life interest in the property at Norris Green, West Derby, as well as his estate at Cloverley, Shropshire, and his London house. To Mr. Arthur Lonsdale, his nephew, he bequeaths the sum of £1,000,000, besides making him his residuary legatee, and giving him the reversion of the Cloverley Hall estate. To Mr. Arthur Heywood, his cousin, and partner in the bank, he bequeaths a sum of £50,000 and the bank premises; and to Mr. Robertson Gladstone, another partner, he has bequeathed a sum of money and the reversion of his estate at Norris Green, West Derby, on the death of Mrs. Heywood.—*Liverpool Post*.

We are pleased to observe that Mr. G. D. Lawson Brown, of the Union Bank, Sheffield, has been gazetted a sub-lieutenant in the 2nd West York Hallamshire Rifles. The appointment dates from May 23rd.

BANK MOVEMENTS.

With reference to the banking amalgamation of Messrs. Cave and Co. and Messrs. Miles and Co., both of Bristol, announced in our April number, the following notice has been given:—"On and after the 1st of May the joint business will be carried on (in the premises now occupied by the latter firm) under the style of Messrs. Miles, Cave, Baillie, and Co., of the Bristol Old Bank. Messrs. Barnette, Hoares, and Co., and Messrs. Prescotts, Cave, and Co., will continue to be the London agents."

At the meeting of the proprietors of the Provincial Bank of Ireland, on 11th May, it was decided to reduce the number of directors from 16 to 14.

The London and County Bank give notice that, with the view of meeting the convenience of customers of the bank and other residents in Godalming and its vicinity, the directors have arranged to open a branch at No. 77, High Street, Godalming, on Monday, 14th inst. The branch will be open daily from ten till four o'clock (except on Mondays, and then from ten till one o'clock) and will be under the charge of Mr. A. J. Stowell, the company's manager at Guildford.

MONTHLY CHRONOLOGY.

April 17.—The Transvaal territory, South Africa, has been annexed to the British Empire.

24.—The Metropolitan Board of Works announces for subscription £1,250,000 of Consolidated Metropolitan 3½ per cent. Stock at par.

May 1.—As customary this day, the Stock Offices at the Bank of England have been shut, and a holiday has been observed at the Stock Exchange.

1. A *London Gazette Extraordinary*, publishes the Queen's Proclamation of neutrality in regard to the Russo-Turkish war.

2.—Tenders for £1,250,000 Metropolitan Consolidated 3½ per cent. Stock were opened to-day at the Bank of England. The applications at the *minimum* (£100) and above amounted to only £704,300, which were allotted in full.

3.—The Bank of Bombay has reduced its rate for discount and advances 1 per cent.

3.—The directors of the Bank of England have to-day raised their rate of discount from 2 per cent., to which it was lowered on the 20th of April, 1876, to 3 per cent.

7.—The Secretary of the United States Treasury has made a further call of \$10,000,000 Five-Twenty Bonds.

8.—A notification has been issued by the secretary of the United States Treasury that all Five-Twenty Bonds of the 1865 issue have now been called in.

10.—The Bank of Bengal has raised its minimum rate of interest and discount to 12 per cent.

11.—The Imperial Bank of Germany raised the rate of discount to 5, and the rate of interest for advances to 6 per cent.

16.—It is officially announced from Batoum that a Turkish squadron, under Hussein Pasha, landed some forces at Soukoum Kaleh, and, aided by 10,000 revolted Circassians, took and destroyed the town.

16.—The Union Bank of Australia is authorized to negotiate the sale of £740,700 Queensland Government 4 per cent. Debentures, by tenders, none being accepted under £91 per cent.

16.—A French ministerial crisis arose out of the sudden dismissal of M. Jules Simon, the chief of the liberal government, by the President,

21.—To-day being Whit-Monday and a bank holiday, business in all departments has been suspended.

24.—The Bank of Bengal has reduced its minimum rate of interest and discount to 10 per cent.

24.—The Queen's birthday celebrated at Petersburg, U.S., with much enthusiasm. A congratulatory message from the President was received by telegraph.

MERCANTILE EMBARRASMENTS.

The failure is announced of Mr. Henry Cutler, hop and seed merchant, whose liabilities are about £64,000. His estate has been placed in bankruptcy.

The liabilities of Mr. S. H. Mountain, who recently failed in the hop trade, are stated to amount to about £135,000, and the assets to £43,000. A committee of five has been appointed to examine the statement submitted to the creditors.

OBITUARY.

We regret to record the death, in the 79th year of his age, of Mr. John Peirse Kennard, for many years an active partner in the banking firm of Messrs. Heywood, Kennard and Co., and afterwards a director of the Consolidated Bank, with which the business of that firm was amalgamated.

We regret to record the death of Mr. John Pemberton Heywood, in his 77th year, head of the banking firm of Messrs. Arthur Heywood, Sons, and Co., of Liverpool, and also of the London Banking firm of Messrs. Heywood, Kennard and Co., until the latter business became merged in that of the Consolidated Bank.

We regret to record the death of Peter Northall Laurie, Esq. (late governor of the Union Bank of London), of 9, Park Crescent, N.W., and Paxhill Park, Lindfield, Sussex. Mr. Laurie graduated at Peterhouse College, Cambridge, and was called to the bar in 1833. He became a director of the above-named bank at its formation in 1839, and succeeded his father, the late Sir Peter Laurie, as governor in 1861; he at all times took an active interest in the banking questions of the day. Mr. Laurie died at his town residence on 21st April, aged sixty-eight.

Monetary Review.

We closed our remarks last month, under this heading, with a reference to the declaration of war which had just then been made by Russia. This event, however, did not exercise any immediate influence on the condition of the money market here, but another disturbing element was at work, to which we previously called attention also, the efflux of gold for abroad was still acting adversely upon the bank's reserve and reducing it to a lower point than it is expedient should exist under any circumstances, and more particularly under such a condition of uncertainty as to the demands which might at any moment be made upon it in connection with the events of the war. Hence the advance of the bank's minimum rate to 3 per cent., which took place at the beginning of the month, only fulfilled the expectation of the market, and was

accordingly supported by the action of the outside establishments, who, on their part, worked at rates but little below those of the central institution.

With the Paris rate of discount lower than that at London, the natural conclusion was that the flow of money would tend hitherward from that centre, and the immediate action upon the Paris exchange was in favour of this country; this, however, was not by any means a permanent movement, the influences at work in shaping the course of money being of various kinds. The spurt in the corn trade, arising out of the complications of the war, has been the means of turning the exchange in favour of France, where large purchases of wheat have been made, and money has to be paid for it; besides the money required in the settlement of these commercial transactions with France, there have also been heavy Stock Exchange transactions between the two central cities. Owing to the disorganisation of the Paris Bourse, resulting from the breaking out of the war, stocks have been sold here largely on Paris account, the settlement of the differences arising out of these international operations in stocks enters materially into the formation of the exchange between the two countries, and must be taken into account accordingly in considering the question of the influx and efflux of gold. And, again, whilst our attention has been fixed, principally, upon what has been transpiring in the neighbourhood of the Black Sea, and we have been able to feel that the influences at work were, for the time being, in a great measure outside of the circle of our monetary sphere, a political event of great significance has suddenly arisen within the region of our most intimate monetary relations. The crisis in the French Government which has just occurred is calculated to exercise a considerable effect upon the exchange between the two countries, inasmuch as it is sure to cause such uneasiness there as will lead to the passage of money to this country for safe investment in the meantime. The break up of the New York "Gold Room" is an event which should not be overlooked in our monetary review. This place was opened for the purpose of carrying on the transactions of the "Gold Rings," when the opportunity of speculating in the premium on gold arose out of the necessity of the State for suspending specie payments and issuing paper currency at a depreciation, one of the disasters resulting from the civil war. Through these speculations the premium on gold was at times carried up to a fabulous extent, sufficient to cause a disturbing influence upon the money markets of Europe; that their occupation is now gone indicates the return of a more healthy condition of things in America and the prospect of an early resumption of specie payments, whilst a disturbing element in the movements of the international exchanges is got rid of.

The stock markets experienced a general fall at the beginning of the month, the actual declaration of war was the signal for depre-

ciatory operations upon all kinds of securities, various motives for speculation being called into play by this event, and hastily acted upon, thus the fall in English Government Securities indicated a fear that further political complications might become embarrassing to this country, whilst the same feeling induced holders of securities of a less permanent character to part with them before a greater fall ensued. Russian, Austrian, Danubian, and Hungarian stocks were naturally subject to the heaviest strokes, immediately upon the declaration of war, and they were precipitated further by the effect created on the Paris Bourse, by Count von Moltke's speech in the German Parliament, advocating an increase of military forces in view of the state of French preparation. As we have said, the fall was general, it reached not only consols but securities, which had hitherto been remarkable for firmness. Metropolitan, Colonial, Indian, even United States Bonds were affected by the pressure put upon the markets from all quarters. English Railways were subjected to severe depreciation, and the shares of joint stock banks, more particularly those of foreign connections, fell with the rest.

As usual a short interval sufficed to show that speculation had overshot the mark, and in the absence of further disquieting influences, a recovery soon set in, more particularly in the speculative markets, which had been oversold, whilst the declarations of neutrality on the part of the Powers not engaged in the war tended to impart a quieter tone to financial transactions. The rise in the rate of money, however, had the effect of bringing into the market the better class of securities, which had hitherto been held as interest-bearing property, and prices yielded accordingly; the same consideration acted obversely upon the value of bank shares, which accordingly changed hands, only at higher prices. Egyptian stocks presented a contrast to most other descriptions of securities, marking better prices upon the announcement of the payment of back interest. The debates in Parliament on the Eastern question tended towards some reassurance with regard to our position therein, and business on the Stock Exchange assumed a quieter tone, with less disposition evinced on the part of holders to part with everything. At the settlement in the middle of the month Russian bonds were found to be again oversold, and heavy backwardation rates had to be paid for deferring the delivery of them. The French ministerial crisis caused increased selling in response to advices from Paris, more particularly affecting French and Italian stocks. Later on, the approach of the holidays and the absence of speculators for the fall induced a better tone in the markets generally, and an advance took place in the better classes of English securities. Home railways were stronger, and some of them rose on the prospects of amalgamation being effected.

The markets opened after the holidays with a somewhat buoyant tone, and would probably have continued to maintain a firmer character but for the influence exercised upon them by the complexion

of advices from abroad; the Paris Bourse is extremely sensitive at the present time in connection with political circumstances, and its fluctuations are in a measure reflected here; still, on the whole, matters are looking better here, both in the discount market and the stock markets.

Messrs. McCulloch & Co., in their New York Circular of the 9th of May, continue to speak of the improved tone in the financial markets there. We append their remarks in reference to a scheme for establishing harmonious working amongst some of the chief lines of railway:—

“This week, a rumour has found currency in speculative circles that a scheme is in process of execution for establishing harmony of management, and more or less identity of *personnel* in the direction of a series of roads connecting with each other from the Atlantic to the Pacific. The chain of links, it is understood, is to embrace the New York Central and Hudson River, the Michigan Southern and Lake Shore, the Michigan Central, the Canada Southern, the Chicago and Rock Island, the Chicago and North-Western, and the Pacific roads. The plan has undoubtedly been completed so far as respects the three last-mentioned roads; but the connections from Chicago eastward have been, until now, a matter of uncertainty, and the announcement of the full programme has been attended with a good deal of speculative buying of the stocks most likely to be benefited by such an arrangement, especially Lake Shore and Michigan Central. These representations meet with general credence on the Stock Exchange, and perhaps may be safely taken as substantially correct. Should this scheme be put in operation, it would become a very important factor in our railroad system, embracing, as it would, some \$600,000,000 of railway property under a management in some measure identical as to directors, controlled by a common policy, and constituting the great artery of commerce between the two oceans. Should harmonious co-operation prove to be feasible, it is easy to see how such a combination might exercise a very important control over the tributary system of roads, and materially affect the other trunk lines that have lately been attracting business from this centre.”

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to the Proprietors, Waterlow & Sons Limited, 25, Great Winchester Street, London, who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month, to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1876.	£	£	%	£	£	£
Aug. 2	28,931,980	32,725,370	113	15,702,325	16,896,302	5,303,493
9	28,925,655	32,912,070	114	15,617,896	16,181,455	5,440,031
16	28,687,570	33,884,915	118	15,459,133	15,967,890	5,490,302
23	28,221,815	33,217,215	117	15,259,133	15,945,490	5,306,436
30	28,087,976	33,040,795	118	15,259,133	15,854,353	5,768,584
Sept. 6	28,179,985	33,509,770	119	15,260,463	16,401,132	5,974,133
13	27,876,800	34,176,790	122	15,222,963	16,023,575	6,289,384
20	27,773,460	34,205,975	123	15,229,155	16,015,085	6,591,284
27	27,973,390	34,049,270	122	15,300,264	16,010,461	7,042,838
Oct. 4	29,249,745	34,127,760	117	15,712,817	15,906,720	6,383,517
11	29,095,750	33,514,395	115	15,202,925	16,018,786	6,181,234
18	28,961,050	32,712,360	113	17,802,925	16,107,468	5,422,087
25	28,541,080	32,775,515	114	17,202,925	16,162,097	5,543,444
Nov. 1	28,782,855	32,190,735	112	17,008,228	16,639,955	5,781,462
8	28,504,940	31,019,690	109	16,308,228	16,538,345	5,666,471
15	28,037,050	30,248,020	108	15,739,297	16,502,061	5,666,667
22	27,802,905	29,643,670	107	15,739,297	16,542,567	6,037,391
29	27,554,155	28,623,170	104	15,739,297	16,752,031	6,638,842
Dec. 6	27,612,925	28,544,460	103	15,832,797	17,102,566	6,398,081
13	27,196,160	28,199,140	104	15,833,004	17,017,236	7,231,822
20	27,460,980	28,082,925	102	15,934,208	17,083,627	7,785,933
27	27,898,255	27,810,945	100	15,968,653	17,618,852	8,173,488
1877.						
Jan. 3	28,622,775	27,533,430	96	15,969,162	19,582,320	6,203,440
10	28,302,820	27,351,155	96	18,766,486	17,516,675	4,373,157
17	28,037,420	26,484,920	94	18,267,876	17,676,106	3,955,536
24	27,638,950	26,319,380	95	17,317,876	17,762,841	4,101,623
31	27,592,885	26,650,241	97	16,367,876	17,732,917	4,837,165
Feb. 7	27,614,430	25,624,520	92	16,001,441	17,787,156	5,613,338
14	27,541,435	25,690,545	93	16,001,441	17,818,123	6,632,609
21	27,177,240	25,824,255	95	16,026,176	17,576,949	6,857,731
28	27,216,605	26,010,290	96	16,026,176	19,071,302	7,215,293
Mar. 7	27,347,790	25,510,299	93	15,988,176	19,049,118	8,295,675
14	27,058,190	25,554,275	94	15,998,532	19,103,570	8,695,941
21	26,961,195	25,495,540	94	16,002,035	19,344,179	8,883,936
28	27,982,640	25,742,035	92	15,502,035	23,766,279	11,530,029
April 4	28,412,165	25,283,790	89	15,308,096	22,854,102	9,916,041
11	28,566,345	25,081,145	88	15,319,338	19,514,925	6,835,131
18	28,415,030	25,175,295	88	15,329,901	19,490,216	6,457,402
25	28,385,390	24,835,320	88	15,329,901	19,269,702	6,473,216
May 2	29,077,985	24,228,650	83	15,340,207	20,482,345	6,315,550
9	28,546,885	23,972,650	84	15,348,494	19,646,733	6,638,594
16	28,479,010	23,981,090	84	15,364,904	19,365,162	6,577,403

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

BANK OF ENGLAND,—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount.
1876.	£	£	£	£	%	
Aug. 2	28,688,877	321,219	34,313,589	19,621,201	57	2
9	27,992,567	325,224	33,767,822	19,876,523	59	—
16	28,644,306	362,741	34,497,349	21,018,406	61	—
23	28,252,255	389,520	33,947,211	20,672,917	60	—
30	27,686,451	364,589	33,819,624	20,621,351	61	—
Sept. 6	28,003,701	440,828	34,418,662	20,987,257	61	—
13	28,271,987	419,640	34,981,011	21,967,897	63	—
20	28,284,981	370,618	35,246,883	22,244,069	63	—
27	27,617,747	357,924	34,919,509	21,851,251	63	—
Oct. 4	27,196,160	373,151	33,952,828	20,566,672	60	—
11	30,003,658	416,160	63,601,052	19,999,772	55	—
18	29,857,947	401,432	35,681,466	19,396,451	45	—
25	29,488,402	358,306	35,390,152	19,653,789	55	—
Nov. 1	29,103,020	366,409	35,250,891	19,218,686	54	—
8	27,393,442	369,778	33,429,691	18,200,927	54	—
15	26,542,066	380,328	21,489,051	17,870,258	55	—
22	25,914,347	360,080	32,311,818	17,653,891	54	—
29	24,916,197	348,338	31,803,377	16,902,034	53	—
Dec. 6	25,427,699	311,946	32,137,726	16,787,290	52	—
13	24,506,696	334,620	32,072,038	16,809,930	52	—
20	23,684,924	321,397	31,742,254	16,315,553	52	—
27	22,875,676	299,153	31,348,317	15,467,179	49	—
1877.						
Jan. 3	25,936,786	328,619	32,468,845	14,591,390	45	—
10	28,385,591	381,955	33,140,703	14,694,912	44	—
17	28,086,715	349,136	32,391,387	14,317,794	44	—
24	27,365,718	331,834	31,799,175	14,591,076	46	—
31	25,146,245	315,669	30,299,079	14,057,356	46	—
Feb. 7	23,520,174	329,031	29,462,543	13,562,473	46	—
14	22,890,408	297,860	29,820,937	13,896,824	47	—
21	23,152,710	280,370	30,290,811	14,581,064	48	—
28	24,039,409	258,794	31,613,496	14,704,822	47	—
Mar. 7	22,235,162	302,082	30,832,899	14,086,465	45	—
14	22,289,135	264,315	31,249,391	14,441,048	46	—
21	22,264,911	267,221	31,416,068	14,375,131	45	—
28	22,615,486	304,262	34,449,777	13,481,652	39	—
April 4	22,215,615	300,812	32,432,468	12,572,518	39	—
11	22,430,616	367,973	29,633,720	12,418,314	42	—
18	23,190,134	329,403	29,976,939	12,779,964	43	—
25	22,477,887	318,512	29,269,615	12,294,320	42	—
May 2	22,480,099	337,059	29,132,708	10,926,636	37	—
9	21,682,317	344,820	28,665,731	11,290,854	39	—
16	21,703,571	333,520	28,614,494	11,514,653	40	—

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

PUBLIC INCOME AND EXPENDITURE.

The following are the receipts into and payment out of the Exchequer between April 1, 1877, and May 12, 1877:—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1877-78.	Total Receipts into the Exche- quer from April 1, 1877, to May 12, 1877.	Total Receipts into the Exche- quer from April 1, 1876, to May 12, 1876.
Balance, April 1, 1877.	£	£	£
Bank of England	—	4,816,797	3,826,896
Bank of Ireland	—	1,172,853	1,292,691
		5,988,650	5,119,587
REVENUE.			
Customs	—	2,375,000	2,304,000
Excise	—	3,935,000	3,538,000
Stamps	—	1,347,000	1,329,000
Land Tax & House Duty	—	322,000	265,000
Property and Income Tax	—	538,000	407,000
Post Office	—	955,000	660,000
Telegraph Service	—	110,000	110,000
Crown Lands	—	31,000	31,000
Interest on advances for Local Works and on Purchase Money of Suez Canal Shares	—	93,650	68,629
Miscellaneous	—	330,719	345,333
Revenue	—	10,037,369	9,057,962
Total, including balance		16,026,019	14,177,540
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)		—	700,000
Advances under various Acts, repaid to Exchequer		238,309	172,439
Totals	£	16,264,328	15,049,988

EXPENDITURE AND OTHER PAYMENTS.

EXPENDITURE.	Estimate for the Financial Year 1877-78.	Total Issues out of Exchequer to meet Payments from April 1, 1877, to May 12, 1877.	Total Issues out of Exchequer to meet payments from April 1, 1876, to May 12, 1876.
	£	£	£
Permanent charge of Debt	—	5,796,732	5,816,272
Interest on Temporary Loans for Local Works, and Interest &c., on Ex- chequer Bonds (Suez)	—	13,125	13,125
Other charges on Consolidated Fund	—	291,106	293,265
Supply Services	—	4,897,967	4,705,160
Estimate	—		
Expenditure		10,998,930	10,827,822
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		258,800	285,868
Exchequer Bills paid off		1,500	3,000
		11,259,230	11,116,690
Balances on May 12, 1877:—			
Bank of England		4,266,312	3,222,250
Bank of Ireland		738,786	711,048
Totals	£	16,264,328	15,049,988

BANK OF FRANCE.

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DEBITOR.

	April 26.	May 3.	May 10.	May 17.
	F. C.	F. C.	F. C.	F. C.
Capital of the Bank ...	182,600,000 0	182,600,000 0	182,600,000 0	182,600,000 0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313 54	8,002,313 54	8,002,313 54	8,002,313 54
Reserve of the Bank and its branches ...	22,106,750 14	22,106,750 14	22,106,750 14	22,106,750 14
Reserve of landed property ...	4,000,000 0	4,000,000 0	4,000,000 0	4,000,000 0
Special Reserve ...	17,694,209 97	17,694,209 97	17,694,209 97	17,694,209 97
Notes in circulation ...	2,503,842,915 0	2,498,045,015 0	2,497,667,175 0	2,499,190,895 0
Bank-notes to order and receipts payable at sight ...	37,104,924 97	37,435,407 33	39,296,179 29	38,771,152 69
Treasury account current, creditor ...	120,028,055 90	95,258,930 44	86,631,437 18	85,137,507 65
Current accounts, Paris ...	407,456,390 19	496,431,145 8	536,583,224 38	660,377,401 87
Do., branch banks ...	43,470,197 0	43,399,564 0	39,338,245 0	44,525,154 0
Dividends payable ...	1,506,120 0	1,442,760 0	1,381,416 0	1,389,551 0
Interest on securities transferred or deposited ...	3,630,503 70	6,544,237 98	4,375,456 84	3,819,415 73
Discounts and sundry interests ...	6,398,375 77	6,840,655 73	7,423,484 94	7,688,346 25
Re-discounted the last six months ...	1,662,127 11	1,662,127 11	1,662,127 11	1,662,127 11
Bills not disposable ...	4,574,094 89	3,491,511 28	7,795,410 73	3,280,383 11
Reserve for eventual losses on prolonged bills ...	6,980,000 0	6,980,000 0	6,980,000 0	6,980,000 0
Sundries ...	13,923,603 83	21,099,353 51	13,947,246 83	13,884,702 80
Total ...	3,384,849,572 0	3,441,911,981 7	3,451,266,776 93	3,470,938,899 96

CREDITOR.

	April 26.	May 3.	May 10.	May 17.
	F. C.	F. C.	F. C.	F. C.
Cash in hand and in branch banks ...	2,204,372,528 59	2,208,487,136 97	2,211,516,634 79	2,224,299,760 45
Commercial bills overdue ...	739,797 70	304,760 10	967,646 78	203,727 93
Commercial bills discounted, not yet due ...	205,052,740 45	227,522,063 76	224,784,419 15	223,126,533 71
Treasury bonds ...	338,845,000 0	338,845,000 0	338,845,000 0	338,845,000 0
Commercial bills, branch banks ...	225,688,711 0	253,744,157 0	263,059,088 0	261,670,569 0
Advances on deposits of bullion ...	11,375,000 0	12,627,800 0	12,632,800 0	12,270,100 0
Do. in branch banks ...	2,702,400 0	2,788,600 0	2,976,400 0	3,105,100 0
Do. in French public securities ...	29,948,000 0	31,406,000 0	33,173,100 0	33,931,900 0
Do. by branch banks ...	10,889,700 0	21,967,600 0	23,611,800 0	24,430,200 0
Do. on railway shares and debentures ...	17,283,400 0	17,857,700 0	18,635,300 0	18,623,000 0
Do. by branch banks ...	13,820,450 0	13,969,160 0	14,435,300 0	14,704,400 0
Do. on Crédit Foncier bonds ...	1,367,200 0	1,341,500 0	1,491,300 0	1,487,000 0
Do. branches ...	763,000 0	780,400 0	802,100 0	841,400 0
Do. to the State (Convention June 10, 1857) ...	60,000,000 0	63,000,000 0	63,000,000 0	60,000,000 0
Government stock reserve ...	12,980,750 14	12,980,750 14	12,980,750 14	12,980,750 14
Do. disposable ...	76,313,613 83	76,313,613 83	76,313,613 83	76,313,613 83
Rentes Immobilisées (Law of June 9, 1857) ...	100,000,000 0	100,000,000 0	100,000,000 0	100,000,000 0
Hotel and furniture of the Bank, and landed property of branches ...	9,866,330 0	9,368,631 0	9,363,806 0	9,359,806 0
Expenses of management ...	1,656,717 67	2,402,530 80	2,469,121 53	2,479,323 27
Employ of the Special Reserve ...	17,694,209 97	17,694,209 97	17,694,209 97	17,694,209 97
Sundries ...	34,066,126 66	33,625,577 81	35,531,494 76	34,072,505 58
Total ...	3,384,849,572 0	3,441,911,981 7	3,451,266,776 93	3,470,938,899 96

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1877. April 25.	1877. May 2.	1877. May 9.	1877. May 16.	1877. May 23.
	£	£	£	£	£
Notes issued	39,835,320	39,228,650	38,972,650	38,981,090	39,000,705
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,884,900	3,884,900	3,884,900	3,884,900	3,884,900
Gold coin and bullion	24,635,320	24,228,650	23,972,650	23,981,090	24,000,705
Silver Bullion					
	39,835,320	39,228,650	38,972,650	38,981,090	39,000,705

BANKING DEPARTMENT.

	1877. April 25.	1877. May 2.	1877. May 9.	1877. May 16.	1877. May 23.
	£	£	£	£	£
Proprietors' capital	14,553,000	14,553,000	14,553,000	14,553,000	14,553,000
Reserve	3,071,308	3,063,490	3,067,350	3,077,325	3,076,649
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts).	6,473,216	6,315,550	6,636,594	6,577,403	6,415,539
Other deposits	22,177,887	22,480,090	21,682,317	21,703,871	22,187,627
Seven day and other bills	318,512	387,059	344,820	333,520	293,736
	46,903,923	46,740,188	46,286,081	46,244,710	46,501,741
Government Securities	15,320,801	15,340,207	15,348,494	15,364,904	15,364,904
Other Securities	19,700,702	20,482,345	19,646,733	19,365,163	19,347,395
Notes	12,419,930	10,150,665	10,425,765	10,502,080	10,935,650
Gold and Silver coin	811,890	776,971	865,089	1,012,573	863,792
	46,903,923	46,740,188	46,286,081	46,244,710	46,501,741

THE EXCHANGES.

	April 27.	May 4.	May 11.	May 18.	May 25.
Amsterdam, short	12 1½	12 1½	12 2	12 2½	12 2½
Ditto 3 months	13 3½	13 8½	13 3½	13 4½	13 4½
Rotterdam, ditto	13 3½	13 3½	12 3½	12 4½	12 4½
Antwerp and Brussels, ditto	25 35	25 37½	25 40	25 40	25 43½
Paris, short	25 22½	25 22½	25 22½	25 25	25 25
Ditto 3 months	25 35	25 37½	25 37½	25 37½	25 40
Marseilles, ditto	25 35	25 37½	25 37½	25 37½	25 40
Hamburg, ditto	20 67	20 71	20 74	20 73	20 71
Berlin, ditto	20 67	20 71	20 74	20 73	20 71
Lipsic, ditto	20 67	20 71	20 74	20 73	20 71
Frankfort-on-the-Main, ditto	20 67	20 71	20 74	20 73	20 71
Petersburgh, ditto	25½	25½	25½	25½	25½
Copenhagen, ditto	18 60	18 60	18 60	18 60	18 60
Vienna, ditto	13 35	13 22½	13 22½	13 25	13 22½
Trieste, ditto	13 35	13 22½	13 22½	13 25	13 22½
Zurich and Basle, ditto	25 42½	25 42½	25 42½	25 45	25 45
Madrid, ditto	46½	46½	46½	46½	46½
Cadix, ditto	47½	47½	47½	47½	47½
Seville, ditto	47½	47½	47½	47½	47½
Barcelona, ditto	47½	47½	47½	47½	47½
Malaga, ditto	47½	47½	47½	47½	47½
Granada, ditto	47½	47½	47½	47½	47½
Santander, ditto	47½	47½	47½	47½	47½
Bilboa, ditto	47½	47½	47½	47½	47½
Zaragoza, ditto	47½	47½	47½	47½	47½
Genoa, Milan, Leghorn, ditto	28 90	28 80	28 75	28 85	28 87½
Venice, ditto	28 90	28 80	28 75	28 85	28 87½
Naples, ditto	28 90	28 80	28 75	28 85	28 87½
Palermo and Messina, ditto	28 90	28 80	28 75	28 85	28 87½
Lisbon, 90 days	51½	51½	51½	51½	51½
Oporto, ditto	51½	51½	51½	51½	51½
Rio Janeiro, 90 days	...	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 6	3 17 10	3 17 10	3 17 9	3 17 9
Mexican Dollars	0 4 6½	0 4 6½	0 4 7	0 4 7	0 4 6½
Silver in Bars (Standard)	0 4 6½	0 4 6	0 4 6½	0 4 6½	0 4 6

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
„	207 Private Banks	5,158,407
„	72 Joint Stock Banks	8,495,446
Scotland—	12 Joint Stock Banks	8,087,309
Ireland—	6 Joint Stock Banks	6,864,494
		<u>£32,090,556</u>

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	..	..	£475,000
1861—July 10th	..	..	175,000
1866—Feb. 21st	..	..	850,000

£33,090,556

Deduct Lapsed Issues—

England—	89 Private Banks	£1,345,415
„	20 Joint Stock Banks	907,895
Scotland—	1 Joint Stock Bank, combining two issues, namely:—	
	Ayrshire Bank	£58,656
	Western Bank of Scotland	284,282
		<u>837,938</u>

2,591,248

£30,499,308

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
„	*113 Private Banks	8,807,992
„	52 Joint Stock Banks	2,587,551
Scotland—	†11 Joint Stock Banks	2,749,371
Ireland—	6 Joint Stock Banks	6,854,494
		<u>£30,499,308</u>

*NOTE.—The number of Private Banks authorized to issue their own notes

in England, by the Act of 1844, was	207
Diminished in number by amalgamation	6
Lapsed Issues	89

113

† The number of Banks authorized to issue their own notes in Scotland, by

the Act of 1845, was	19
Diminished in number by amalgamation	6
Lapsed Issues, as stated above	2

11

ENGLISH FUNDS.

	Price on May 25.	Highest.	Lowest	Price on April 20.
Consols	94½	95½	93	95½
Exchequer Bills	3/ pm.	11/ pm.	—	7/ p.m.

Bank Rate of Discount 3 per cent.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 82; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Mar. 24.	Mar. 31.	April 7.	April 14
	£	£	£	£	£
1 Ashford Bank	11,849	9,520	9,769	10,524	10,425
2 Aylesbury Old Bank	48,461	19,883	20,505	20,630	20,627
3 Baldoek and Biggleswade Bank	37,223	16,525	16,723	17,311	17,613
4 Barnstable Bank	17,182	2,892	8,044	8,188	8,455
5 Bedford Bank	34,218	25,340	27,215	28,691	27,913
6 Bicester and Oxfordshire Bank.....	27,090	13,344	13,245	13,650	13,865
7 Boston Bank—Garfit and Co.	75,069	47,683	49,751	53,405	56,584
8 Bristol Bank	48,277	18,440	19,689	20,099	19,891
9 Broseley and Bridgnorth Bank.....	26,717	12,725	12,638	12,851	12,525
10 Buckingham Bank	29,657	18,526	18,206	19,248	19,697
11 Bury and Suffolk Bank	82,362	34,643	34,441	34,850	35,700
12 Banbury Bank	43,457	20,791	21,259	21,709	21,972
13 Banbury Old Bank	55,153	18,611	19,506	19,679	19,723
14 Bedfordshire Leighton Buzzard Bk.	36,829	31,011	31,870	32,730	33,005
15 Brecon Old Bank	68,271	22,594	23,317	25,318	28,455
16 Brighton Union Bank	33,791	20,086	22,254	23,443	23,694
17 Burlington and Driffield Bank	12,745	12,436	12,095	12,705	12,609
18 Bury St. Edmunds Bank	3,201	1,239	1,485	1,594	1,743
19 Cambridge Bank—Mortlock & Co. ...	25,744	12,341	14,201	15,339	13,656
20 Cambridge and Cambridgeshire Bank	49,916	39,728	40,034	42,545	43,096
21 Canterbury Bank	33,671	17,420	17,690	19,895	20,589
22 Colchester Bank	25,082	10,900	11,357	11,566	11,414
23 Colchester and Essex Bank	48,704	23,184	24,478	24,765	24,263
24 Cornish Bank	49,869	22,685	24,004	24,876	25,105
25 City Bank, Exeter	21,527	11,195	12,618	12,676	12,838
26 Craven Bank—Birkbeck and Co.	77,154	73,776	75,790	76,603	75,516
27 Derby Bank—Messrs. Evans and Co.	13,332	12,416	14,052	13,915	12,359
28 Derby Bank—Smith and Co.	41,804	26,685	30,501	32,479	31,004
29 Derby Old Bank	27,287	25,999	28,160	28,482	25,130
30 Devizes and Wiltshire Bank	20,674	4,670	4,989	4,955	4,761
31 Darlington Bank	86,218	82,020	87,953	88,781	83,905
32 Devonport Bank	10,664	3,620	4,509	5,186	4,634
33 Dorchester Old Bank	48,807	31,954	32,934	34,550	35,765
34 East Cornwall Bank	112,280	71,784	73,112	76,676	77,890
35 East Riding Bank	53,392	50,811	50,537	53,709	53,998
36 Essex Bk. and Bishop's Stortford Bk.	69,637	35,057	35,529	37,221	36,020
37 Exeter Bank	37,894	15,467	15,715	15,992	15,910
38 Farnham Bank	14,202	5,309	5,331	5,630	5,691
39 Faversham Bank	6,681	3,953	4,266	5,056	4,895
40 Godalming Bank	6,322	6,344	6,091	6,086	5,945
41 Guildford Bank	14,524	9,133	9,675	10,030	10,744
42 Grantham Bank—Hardy and Co.	30,372	15,789	16,240	17,477	16,949
43 Hull and Kingston-upon-Hull Bank...	19,979	19,163	19,157	20,550	20,362
44 Huntingdon Town and County Bank	56,591	21,927	22,398	23,375	23,573
45 Harwich Bank	5,778	4,070	4,271	4,628	4,570
46 Hertfordshire, Hitchin Bank	38,764	28,170	29,871	31,599	32,448
47 Ipswich Bank	21,901	16,216	16,658	16,945	17,403
48 Ipswich and Needham Market Bank ..	80,699	43,455	45,328	47,683	47,617
49 Kentish Bank—Mercers and Co.	19,895	16,615	16,047	16,545	16,478
50 Kingston and Radnorshire Bank	26,050	18,862	19,191	19,651	18,602
51 Knaresborough Old Bank	21,825	20,472	21,457	21,982	22,115
52 Kendal Bank	44,663	43,573	44,043	48,928	44,007
53 Leeds Bank	130,757	124,360	126,023	127,305	128,775

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Mar. 24.	Mar. 31.	April 7.	April 14
	£	£	£	£	£
54 Leeds Union Bank	37,459	35,660	35,221	36,661	37,208
55 Leicester Bank.....	32,322	23,990	26,696	27,623	28,300
56 Lewes Old Bank	44,886	19,833	20,212	21,118	21,854
57 Lincoln Bank	100,842	92,021	96,252	100,510	97,670
58 Llandoverly Bank and Llandilo Bank	32,945	9,993	9,646	9,842	10,707
59 Loughborough Bank	7,359	6,273	6,647	7,018	7,589
60 Lymington Bank	5,038	2,496	2,618	2,760	2,694
61 Lynn Regis and Lincolnshire Bank..	42,817	26,081	26,864	27,080	27,543
62 Lynn Regis and Norfolk Bank	13,917	7,395	7,550	7,967	8,114
63 Macclesfield Bank	15,760	9,647	9,515	9,499	9,610
64 Miners' Bank.....	18,688	14,982	14,870	14,396	13,908
65 Monmouth Old Bank	16,885	1,752	1,619	1,607	1,750
66 Newark Bank.....	23,788	8,867	8,926	9,232	9,973
67 Newark and Sleaford Bank	51,615	32,783	33,780	37,199	38,598
68 Newbury Bank	36,787	10,205	10,222	10,457	10,984
69 Newmarket Bank.....	23,098	13,392	13,814	14,246	14,584
70 Norwich and Norfolk Bank	105,519	74,855	79,181	83,680	82,523
71 Naval Bank, Plymouth	27,321	20,384	21,485	23,507	24,859
72 New Sarum Bank—Pinckney Bros...	15,659	3,172	3,595	3,765	3,990
73 Nottingham Bank	31,047	31,005	32,628	29,284	28,511
74 Oswestry Bank	18,471	7,042	7,635	7,854	7,968
75 Oxford Old Bank	84,391	27,739	29,245	29,444	28,764
76 Old Bank, Tonbridge	13,183	9,985	11,046	11,409	11,102
77 Oxfordshire Witney Bank	11,852	6,641	6,677	6,694	6,575
78 Pease's Old Bank, Hull	48,807	50,540	48,723	48,340	47,331
79 Penzance Bank.....	11,405	6,510	7,043	7,355	6,868
80 Reading Bank—Simonds and Co.....	97,519	20,250	20,603	21,548	21,598
81 Reading Bk.—Stephens, Blandy & Co.	43,271	23,049	25,434	26,052	26,556
82 Richmond Bank, Yorkshire	6,889	6,806	6,985	7,081	6,373
83 Royston Bank	16,393	7,415	7,778	7,771	7,700
84 Rye Bank	29,864	8,582	9,230	9,423	8,825
85 Saffron Walden and North Essex Bk.	47,646	19,294	19,049	20,241	20,153
86 Salop Bank	22,338	8,465	8,742	4,133	4,231
87 Scarborough Old Bank	24,813	24,848	25,025	24,990	24,367
88 Shrewsbury Old Bank.....	43,191	24,327	24,031	24,029	24,355
89 Sittingbourne and Milton Bank	4,789	1,223	1,215	1,282	1,602
90 Southampton Town and County Bank	25,859	7,609	7,943	8,400	8,511
91 Stamford and Rutland Bank	31,858	10,268	10,398	11,150	11,510
92 Shrewsbury and Welchpool Bank....	25,336	16,663	18,250	17,900	18,260
93 Tavistock Bank	13,421	9,235	10,554	10,631	10,864
94 Thornbury Bank	10,026	6,541	6,247	6,085	6,190
95 Tiverton and Devonshire Bank.....	13,470	6,225	6,670	6,683	6,515
96 Thrapstone and Kettering Bank	11,559	9,615	9,806	10,508	10,568
97 Tring Bank and Chesham Bank	13,531	13,137	13,525	13,590	13,047
98 Towcester Old Bank	10,801	5,516	5,703	6,229	5,724
99 Union Bank, Cornwall	17,003	4,440	4,355	4,620	4,419
100 Uxbridge Old Bank.....	25,136	5,883	5,660	5,546	5,986
101 Wallingford Bank.....	17,064	3,490	3,551	3,462	3,373
102 Warwick and Warwickshire Bank ..	30,504	21,689	22,562	22,734	22,562
103 Wellington Somerset Bank	6,528	4,264	3,790	3,947	4,060
104 West Riding Bank	46,158	47,417	46,987	46,662	42,330
105 Whitby Old Bank	14,258	10,915	11,345	11,705	12,105
106 Winchester, Alresford and Alton Bk.	25,892	7,880	8,312	9,018	8,711
107 Weymouth Old Bank	16,461	9,588	9,870	11,192	11,481
108 Wisbech and Lincolnshire Bank	59,713	28,684	29,777	30,865	31,129
109 Wiveliscombe Bank.....	7,602	1,885	1,706	1,894	1,980
110 Worcester Old Bank	87,448	37,700	38,792	40,221	40,480
111 Yarmouth and Suffolk Bank	53,060	33,385	34,665	36,334	35,824
112 Yarmouth, Norfolk, and Suffolk Bank	13,229	10,937	11,442	11,330	11,131
113 York Bank.....	46,887	34,988	35,168	37,768	37,962

WEEKLY RETURNS OF BANKS OF ISSUE.

JOINT STOCK BANKS.

NAME OF BANK.	Author- ised Issue.	AVERAGE AMOUNT.			
		Mar. 24.	Mar. 31.	April 7.	April 14
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	11,757	12,238	12,359	11,915
2 Barnsley Banking Company.....	9,563	8,955	8,595	9,126	9,065
3 Bradford Banking Company	49,292	45,923	46,221	46,231	46,895
4 Bank of Whitehaven	32,681	27,705	23,444	29,895	29,415
5 Bradford Commercial Banking Co. ..	20,084	20,406	20,392	20,231	18,765
6 Burton, Uttoxeter, & Ashbourne Union Bank	60,701	44,809	47,452	49,787	49,037
7 Chesterfield & N. Derbyshire Bk. Co..	10,421	9,148	9,544	9,962	10,237
8 Cumberland Union Banking Co.....	35,895	35,282	36,493	35,094	31,581
9 Coventry and Warwickshire Bk. Co...	28,794	14,036	16,832	17,588	17,510
10 Coventry Union Banking Company ..	16,251	13,357	14,865	14,692	14,646
11 County of Gloucester Banking Co.....	144,852	87,048	91,070	92,633	92,686
12 Carlisle and Cumberland Banking Co..	25,610	21,738	23,182	23,999	24,085
13 Carlisle City and District Bank	19,972	19,682	19,420	20,279	20,148
14 County of Stafford Bank	9,418	7,032	7,114	7,550	8,481
15 Derby and Derbyshire Banking Co. .	20,098	18,875	19,690	20,018	19,919
16 Darlington District Joint Stock Bk. Co.	26,184	26,633	26,550	25,719	24,359
17 Gloucestershire Banking Company ..	155,920	129,574	134,581	138,195	139,131
18 Halifax Joint Stock Bank.....	18,534	17,660	18,793	18,786	18,334
19 Huddersfield Banking Company.....	37,854	35,993	37,154	35,846	35,952
20 Hull Banking Company	29,333	29,131	29,314	29,505	28,339
21 Halifax Commercial Banking Co.	13,733	9,577	9,835	9,782	9,725
22 Halifax and Huddersfield Union Bank	44,137	31,320	31,020	31,069	31,707
23 Knarborough and Claro Banking Co..	28,059	23,467	27,567	27,480	27,424
24 Lancaster Banking Company	64,311	62,286	63,889	65,246	63,658
25 Leicestershire Banking Company	86,060	65,185	68,865	72,419	74,090
26 Lincoln and Lindsey Banking Co.....	51,620	51,586	52,216	53,870	47,683
27 Leamington Priors and Warwickshire Banking Company	13,875	10,489	10,785	10,766	11,015
28 Ludlow and Tenbury Bank	10,215	9,926	9,727	10,440	10,049
29 Moore and Robinson's Notts. Bkg. Co.	35,813	39,333	36,184	31,524	33,628
30 Nottingham and Notts. Banking Co...	29,477	29,941	26,063	25,464	28,609
31 Northamptonshire Union Bank	84,356	59,589	61,571	65,533	66,986
32 Northamptonshire Banking Company	26,401	17,851	17,546	17,815	18,585
33 North and South Wales Bank.....	63,951	58,220	64,588	63,187	60,128
34 Pares's Leicestershire Banking Co. .	59,800	51,801	55,891	57,658	58,115
35 Sheffield Banking Company	35,843	26,473	27,704	29,113	30,340
36 Stamford, Spalding & Boston Bk. Co.	55,721	43,746	46,180	47,302	47,862
37 Stuckey's Banking Company	356,976	316,250	326,896	335,735	336,780
38 Stourbridge & Kidderminster Bkg. Co.	56,830	45,962	46,726	47,459	49,322
39 Sheffield and Hallamshire Bkg. Co. .	23,524	23,540	23,716	24,565	23,170
40 Sheffield & Rotherham Joint Stock Bk.	52,496	48,355	49,839	49,932	50,170
41 Swaledale and Wensleydale Bkg. Co. .	54,372	52,422	53,421	53,635	54,168
42 Wolverhampton and Staffordshire Bk.	35,878	16,520	17,389	17,360	18,037
43 Wakefield and Barnsley Union Bank..	14,604	14,035	14,892	13,814	14,066
41 Whitehaven Joint Stock Bkg. Co.	31,916	27,794	31,085	29,745	29,645
45 West of Eng. & S. Wales District Bk.	83,535	70,883	73,667	76,828	75,858
46 Wilts and Dorset Banking Company..	76,162	76,349	75,411	72,710	75,273
47 West Riding Union Banking Company	34,029	33,497	33,856	34,124	34,222
48 Whitchurch and Ellesmere Bk. Co. .	7,475	5,571	5,535	5,520	5,445
49 Worcester City and County Bk. Co. .	6,848	1,558	1,633	1,708	2,466
50 York Union Banking Co.....	71,240	69,671	69,364	70,962	70,688
51 York City and County Banking Co. .	94,695	92,286	91,489	93,850	94,904
52 Yorkshire Banking Company	122,532	120,170	121,487	121,371	119,475

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 14th April, 1877.

NAME OF BANK:	Authorised Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland	8,738,428	1,994,525	1,186,825	3,181,150	528,733
Provincial Bank of Ireland	927,667	506,086	413,242	919,328	890,430
Belfast Bank	281,611	229,987	825,883	555,870	358,525
Northern Bank	213,440	224,062	316,088	540,146	391,207
Ulster Bank	311,079	417,965	411,674	829,639	609,871
The National Bank	852,269	878,533	587,079	1,465,612	910,905
TOTALS (Irish Banks).....	6,351,494	4,251,158	3,240,586	7,491,745	3,189,671

SCOTCH BANKS.

Bank of Scotland	343,418	217,366	451,344	668,710	471,242
Royal Bank of Scotland	216,451	237,575	461,166	698,741	610,778
British Linen Company	438,024	159,454	358,767	518,222	218,366
Commercial Bank of Scotland..	374,880	225,580	544,244	769,824	501,773
National Bank of Scotland	297,024	177,166	406,551	583,718	481,384
Union Bank of Scotland	454,346	247,682	500,755	748,437	484,893
Aberdeen Town & County Bank	70,133	96,788	118,052	209,841	181,035
North of Scotland Banking Co.	154,319	164,516	162,827	327,343	218,260
Clydesdale Banking Company..	274,321	183,851	336,321	520,172	374,458
City of Glasgow Bank	72,921	212,778	429,476	642,255	615,926
Caledonian Banking Company .	53,434	37,065	71,276	108,341	68,096
TOTALS (Scotch Banks).....	2,749,271	1,959,821	3,885,779	5,795,604	4,171,211

CIRCULATION RETURNS.

SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS ENDING APRIL 14th, 1877.

	Fixed Issues.	Mar. 24.	Mar. 31.	April 7.	April 14.
	£	£	£	£	£
118 Private Banks	3,807,992	2,355,408	2,433,092	2,513,836	2,507,007
52 Joint Stock Banks	2,567,551	2,233,247	2,293,151	2,325,351	2,322,603
165 Totals	6,395,543	4,588,650	4,726,243	4,839,187	4,829,610

Average Weekly Circulation of these Banks for the month ending April 14, 1877:—

Private Banks	£2,452,334
Joint-Stock Banks	2,293,588

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,745,922

On comparing these amounts with the Returns for the month ending Mar. 17th last, they show:—

An increase in the notes of Private Banks, of	£132,309
An increase in the notes of Joint-Stock Banks, of	123,236

Total increase on the month £255,545

And, as compared with the month ending April 15th, 1876:—

A decrease in the notes of Private Banks, of	£33,813
A decrease in the notes of Joint-Stock Banks, of	57,776

Total decrease as compared with the same period of last year £91,589

The following is the comparative state of the circulation as regards the fixed issues:—

The Private Banks are below their fixed issues	£1,355,658
The Joint-Stock Banks are below their fixed issues	293,963

Total below their fixed issues £1,649,621

SUMMARY OF IRISH AND SCOTCH RETURNS TO APRIL 14th, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

Average Circulation of the Irish Banks	£7,491,745
Average Circulation of the Scotch Banks	5,795,604

Total Average Circulation of these Banks for the past month £13,287,349

On comparing these amounts with the Returns for the month ending 17th Mar. last, they show:—

Increase in the Circulation of Irish Banks	£158,677
Increase in the Circulation of Scotch Banks	67,436

Total increase on the month £226,113

And as compared with the month ending April 15th, 1876, they show:—

Decrease in the Circulation of Irish Banks	£104,704
Increase in the Circulation of Scotch Banks	181,402

Total increase as compared with the same period of last year £76,696

CIRCULATION RETURNS.

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	6,354,494
11 Banks in Scotland, allowed to issue	..	..	..	..	2,749,371
17 Banks in all, allowed to issue	..	..	..	..	29,103,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	21,187,251
Scotch Banks are above their fixed issue	..	..	..	..	8,046,333

Total above the fixed issue	..	..	..	..	24,183,584
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	23,189,671
Gold and Silver held by the Scotch Banks	..	..	..	..	4,171,211

Total of Gold and Silver Coin	..	..	..	..	27,360,882
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Being a decrease of £55,739 on the part of the Irish Banks, and a decrease of £100,124 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO APRIL 14th, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	April 14.	Mar. 17.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 11th April)	27,980,786	27,199,956	780,830	..
Private Banks	2,452,834	2,820,025	132,909	..
Joint-Stock Banks	2,298,688	2,170,852	128,286	..
Total in England	32,726,708	31,990,833	1,036,875	..
Scotland	5,795,604	5,728,163	67,436	..
Ireland	7,491,745	7,888,068	158,677	..
United Kingdom	46,014,057	44,751,569	1,262,488	..

The comparison of the month ending April 15th, 1876, with the month ending April 14th, 1877, shows an increase in the Bank of England circulation of £980,718, a decrease in Private Banks of £33,813, and a decrease in Joint-Stock Banks of £57,776, being a total increase in England of £889,124, while in Scotland there is an increase of £181,402; and in Ireland a decrease of £104,704. Thus showing that the month ending the 14th April, as compared with the same period last year, presents an increase of £889,121 in England, and an increase of £915,822 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending April 11th gives an average amount in both departments of £26,192,490. On a comparison of this with the Return for the previous month, there appears to be a decrease of £460,816; and an increase of £1,048,017 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending April 14th was £7,860,882; being a decrease of £155,868, as compared with the Return of the previous month, and an increase of £217,289, as compared with the corresponding period of last year.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		April 21	April 28.	May 5.	May 12.
1 Ashford Bank	£ 11,849	£ 9,958	£ 9,978	£ 10,190	£ 10,161
2 Aylesbury Old Bank	48,461	20,590	20,248	20,496	20,126
3 Baldoek and Biggleswade Bank	37,223	17,833	17,777	17,374	16,919
4 Barnstable Bank	17,182	5,495	5,515	5,758	5,442
5 Bedford Bank	34,218	27,539	27,687	27,658	27,669
6 Bicester and Oxfordshire Bank.....	27,090	18,558	18,395	18,124	18,090
7 Boston Bank—Garfit and Co.	75,069	56,299	57,727	59,475	63,575
8 Bristol Bank.....	48,277	19,489	18,990	16,033	13,688
9 Broseley and Bridgnorth Bank.....	26,717	12,585	12,690	13,062	12,805
10 Buckingham Bank	29,657	19,415	19,330	18,524	18,454
11 Bury and Suffolk Bank	82,362	35,420	34,352	33,989	35,575
12 Banbury Bank	43,457	21,852	22,180	21,787	22,020
13 Banbury Old Bank	55,153	19,654	20,116	20,711	20,276
14 Bedfordshire Leighton Buzzard Bk. .	36,829	32,430	33,148	32,470	31,236
15 Brecon Old Bank.....	68,271	28,009	27,038	28,084	23,627
16 Brighton Union Bank	33,794	22,732	21,700	21,521	21,435
17 Burlington and Driffield Bank	12,745	12,283	12,432	12,591	12,296
18 Bury St. Edmunds Bank	3,201	1,747	1,709	1,869	1,957
19 Cambridge Bank—Mortlock & Co. .	25,744	13,962	14,006	14,206	14,366
20 Cambridge and Cambridgeshire Bank	49,916	42,402	42,507	42,148	41,705
21 Canterbury Bank	33,671	20,006	19,302	18,865	18,667
22 Colchester Bank	25,082	11,296	11,304	11,496	11,359
23 Colchester and Essex Bank	48,704	23,925	23,095	23,900	23,762
24 Cornish Bank	49,869	23,839	24,677	24,321	22,807
25 City Bank, Exeter	21,527	13,189	12,955	12,853	12,201
26 Craven Bank—Birkbeck and Co.	77,154	76,070	76,885	75,643	75,869
27 Derby Bank—Messrs. Evans and Co. .	13,332	10,896	11,374	11,689	11,046
28 Derby Bank—Smith and Co.	41,304	31,530	30,080	30,080	26,482
29 Derby Old Bank	27,237	25,216	27,074	23,142	26,736
30 Devizes and Wiltshire Bank	20,674	4,649	4,756	5,051	4,977
31 Darlington Bank	86,218	33,965	35,652	37,621	36,693
32 Devonport Bank	10,664	4,625	4,740	4,700	4,707
33 Dorchester Old Bank	48,807	35,945	34,809	34,480	34,035
34 East Cornwall Bank	112,280	80,159	78,496	76,406	76,426
35 East Riding Bank	53,392	54,583	53,469	52,025	50,577
36 Essex Bk. and Bishop's Stortford Bk.	69,637	35,681	35,673	36,522	35,335
37 Exeter Bank	37,894	15,561	15,145	14,490	14,093
38 Farnham Bank.....	14,202	5,596	5,467	5,223	4,880
39 Faversham Bank	6,681	4,736	4,780	4,588	4,595
40 Godalming Bank	6,322	5,905	6,271	6,279	5,642
41 Guildford Bank	14,524	10,751	10,709	10,566	10,565
42 Grantham Bank—Hardy and Co.....	30,372	16,800	16,152	16,812	17,557
43 Hull and Kingston-upon-Hull Bank..	19,979	19,760	20,575	20,304	18,326
44 Huntingdon Town and County Bank	56,591	28,452	23,387	23,535	23,003
45 Harwich Bank	5,778	4,267	4,104	4,182	4,132
46 Hertfordshire, Hitchin Bank	38,764	32,435	32,557	33,672	34,126
47 Ipswich Bank	21,901	16,789	16,374	16,188	16,204
48 Ipswich and Needham Market Bank .	80,699	45,893	44,260	43,445	43,498
49 Kentish Bank—Mercers and Co.	19,895	16,124	15,728	16,471	15,915
50 Kingston and Radnorshire Bank	26,050	19,132	19,039	18,032	18,785
51 Knareborough Old Bank	21,825	21,355	21,086	20,795	20,822
52 Kendal Bank	41,663	43,926	44,342	44,908	44,525
53 Leeds Bank	130,757	128,896	129,133	128,198	126,125

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		April 21.	April 28.	May 5.	May 12.
	£	£	£	£	£
54 Leeds Union Bank	37,459	37,608	35,884	37,112	36,288
55 Leicester Bank	32,322	27,894	28,186	28,054	28,154
56 Lewes Old Bank	44,836	21,354	22,082	21,485	20,435
57 Lincoln Bank	100,342	91,300	92,770	96,126	101,236
58 Llandoverly Bank and Llandilo Bank	32,945	11,527	12,042	18,977	15,054
59 Loughborough Bank	7,359	7,097	6,890	6,970	6,989
60 Lymington Bank	5,038	2,663	2,431	2,270	2,468
61 Lynn Regis and Lincolnshire Bank ..	42,817	27,136	27,067	26,082	26,303
62 Lynn Regis and Norfolk Bank	13,917	8,612	9,258	9,120	9,204
63 Macclesfield Bank	15,760	9,742	10,614	10,352	10,210
64 Miners' Bank	18,688	14,865	14,815	13,338	12,625
65 Monmouth Old Bank	16,385	1,705	1,709	1,865	1,736
66 Newark Bank	28,788	9,872	9,746	9,827	10,127
67 Newark and Sleaford Bank	51,615	38,211	36,798	36,195	39,074
68 Newbury Bank	36,787	10,819	10,724	10,729	11,087
69 Newmarket Bank	23,098	14,313	13,820	13,809	14,013
70 Norwich and Norfolk Bank	105,519	79,785	76,980	76,357	76,129
71 Naval Bank, Plymouth	27,321	23,765	23,740	23,244	22,920
72 New Sarum Bank—Pinckney Bros ..	15,659	8,870	8,713	8,732	8,742
73 Nottingham Bank	31,047	31,315	31,065	29,649	29,927
74 Oswestry Bank	18,471	8,277	8,598	8,823	8,318
75 Oxford Old Bank	34,391	30,464	31,798	31,104	31,321
76 Old Bank, Tonbridge	13,183	10,770	10,690	10,610	10,374
77 Oxfordshire Witney Bank	11,852	6,812	6,748	6,852	6,968
78 Pease's Old Bank, Hull	48,807	48,695	49,109	48,478	47,884
79 Penzance Bank	11,405	6,655	6,581	6,646	6,901
80 Reading Bank—Simonds and Co	37,519	20,877	20,715	21,474	21,487
81 Reading Bk.—Stephens, Blandy & Co ..	43,271	25,667	25,710	25,655	25,533
82 Richmond Bank, Yorkshire	6,389	6,407	6,550	6,607	6,765
83 Royston Bank	16,393	7,599	7,785	7,839	7,526
84 Rye Bank	29,864	8,392	8,204	8,037	7,890
85 Saffron Walden and North Essex Bk ..	47,646	19,599	18,767	18,145	18,355
86 Salop Bank	22,338	4,464	4,315	3,932	3,929
87 Scarborough Old Bank	24,813	24,568	24,843	25,072	24,533
88 Shrewsbury Old Bank	43,191	24,222	24,562	24,982	24,451
89 Sittingbourne and Milton Bank	4,789	1,705	1,575	1,484	1,456
90 Southampton Town and County Bank ..	25,359	8,070	8,089	8,392	8,418
91 Stamford and Rutland Bank	31,858	11,424	11,203	10,863	10,659
92 Shrewsbury and Welchpool Bank	25,336	19,330	19,133	19,771	20,863
93 Tavistock Bank	13,421	10,954	12,679	12,627	12,477
94 Thornbury Bank	10,026	6,494	6,116	6,188	5,963
95 Tiverton and Devonshire Bank	13,470	6,146	5,990	5,863	6,116
96 Thrapstone and Kettering Bank	11,559	10,647	10,440	9,547	8,939
97 Tring Bank and Chesham Bank	13,531	13,274	13,365	12,778	13,067
98 Towcester Old Bank	10,801	5,555	5,465	5,370	5,385
99 Union Bank, Cornwall	17,003	5,010	5,118	4,418	4,295
100 Uxbridge Old Bank	25,136	6,005	5,966	5,851	5,951
101 Wallingford Bank	17,064	3,390	3,332	3,590	3,505
102 Warwick and Warwickshire Bank ..	30,504	22,608	22,826	22,841	22,934
103 Wellington Somerset Bank	6,528	3,231	2,903	3,113	2,652
104 West Riding Bank	46,158	41,920	43,155	42,916	41,897
105 Whitby Old Bank	14,258	12,857	11,780	11,576	12,148
106 Winchester, Alresford and Alton Bk ..	25,892	8,770	8,775	8,940	8,405
107 Weymouth Old Bank	16,461	11,990	12,844	11,456	11,410
108 Wisbech and Lincolnshire Bank	59,713	30,856	29,785	29,200	29,900
109 Wiveliscombe Bank	7,602	1,745	1,610	1,464	1,487
110 Worcester Old Bank	37,448	40,115	39,605	39,769	39,094
111 Yarmouth and Suffolk Bank	53,060	35,139	33,994	33,138	32,711
112 Yarmouth, Norfolk, and Suffolk Bank ..	13,229	10,905	10,595	10,064	9,842
113 York Bank	46,387	37,676	37,783	38,492	38,439

JOINT STOCK BANKS.

NAME OF BANK.	Author- ised Issue.	AVERAGE AMOUNT.			
		April 21.	April 28.	May 5.	May 12.
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	11,991	12,304	12,075	12,082
2 Barnsley Banking Company.....	9,563	8,848	8,555	8,655	8,433
3 Bradford Banking Company	49,292	47,106	46,406	46,232	46,473
4 Bank of Whitehaven	32,681	29,285	29,832	30,554	30,675
5 Bradford Commercial Banking Co. ..	20,084	19,457	19,855	20,480	20,282
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	48,597	48,181	47,638	47,365
7 Chesterfield & N. Derbyshire Bk. Co. .	10,421	10,464	10,287	10,167	9,611
8 Cumberland Union Banking Co.....	35,895	33,675	34,524	34,616	35,182
9 Coventry and Warwickshire Bk. Co. .	28,734	15,804	15,570	15,465	14,740
10 Coventry Union Banking Company ..	16,251	14,362	14,341	15,093	13,898
11 County of Gloucester Banking Co.....	144,352	91,482	90,525	89,149	87,184
12 Carlisle and Cumberland Banking Co. .	25,610	23,707	25,554	25,620	25,165
13 Carlisle City and District Bank	19,972	20,035	19,970	19,839	19,882
14 County of Stafford Bank	9,418	8,170	7,730	7,368	7,229
15 Derby and Derbyshire Banking Co. .	20,098	19,780	20,229	20,476	17,142
16 Darlington District Joint Stock Bk. Co.	26,184	26,054	27,891	25,945	24,212
17 Gloucestershire Banking Company ..	155,920	136,171	138,427	138,501	137,374
18 Halifax Joint Stock Bank.....	18,584	18,294	18,420	18,297	18,186
19 Huddersfield Banking Company.....	37,354	37,903	39,595	36,270	34,490
20 Hull Banking Company	29,383	29,301	28,960	29,825	28,786
21 Halifax Commercial Banking Co.	13,733	9,607	9,834	9,669	9,813
22 Halifax and Huddersfield Union Bank	44,187	38,228	38,490	38,350	38,518
23 Knarborough and Claro Banking Co. .	28,059	27,279	28,416	27,381	27,536
24 Lancaster Banking Company	64,311	63,752	64,166	64,275	62,671
25 Leicestershire Banking Company	86,060	77,506	76,450	73,522	73,802
26 Lincoln and Lindsey Banking Co.....	51,620	44,160	49,247	54,254	56,895
27 Leamington Priors and Warwickshire Banking Company	13,875	11,718	12,404	12,257	12,141
28 Ludlow and Tenbury Bank	10,215	9,598	10,205	10,055	9,885
29 Moore and Robinson's Notts. Bkg. Co. .	35,818	32,921	33,561	33,525	36,188
30 Nottingham and Notts. Banking Co. .	29,477	29,723	28,778	28,267	29,382
31 Northamptonshire Union Bank	84,356	65,354	64,976	66,018	65,907
32 Northamptonshire Banking Company	26,401	19,194	19,273	19,462	18,869
33 North and South Wales Bank.....	63,951	60,885	64,410	65,389	61,888
34 Pares's Leicestershire Banking Co. .	59,300	58,888	57,986	57,345	55,286
35 Sheffield Banking Company	35,843	29,827	28,497	28,721	27,031
36 Stamford, Spalding & Boston Bk. Co. .	55,721	48,410	49,281	50,753	51,017
37 Stuckey's Banking Company	356,976	329,911	326,014	326,546	315,648
38 Stourbridge & Kidderminster Bkg. Co. .	56,890	49,259	48,788	48,380	47,325
39 Sheffield and Hallamshire Bkg. Co. .	23,524	24,180	23,405	23,295	23,185
40 Sheffield & Rotherham Joint Stock Bk. .	52,496	50,635	51,395	51,623	51,602
41 Swaledale and Wensleydale Bkg. Co. .	54,372	53,370	53,223	53,545	53,887
42 Wolverhampton and Staffordshire Bk. .	35,378	18,485	17,635	17,376	17,169
43 Wakefield and Barnsley Union Bank. .	14,604	14,284	14,357	14,235	14,173
44 Whitehaven Joint Stock Bkg. Co.	31,913	30,395	30,613	30,668	29,995
45 West of Eng. & S. Wales District Bk. .	33,585	76,468	76,423	75,625	73,649
46 Wilts and Dorset Banking Company. .	76,162	76,662	72,341	72,706	74,512
47 West Riding Union Banking Company	34,029	33,758	33,660	33,495	34,105
48 Whitchurch and Ellesmere Bk. Co. .	7,475	5,470	5,515	5,673	4,987
49 Worcester City and County Bk. Co. .	6,848	2,125	2,008	2,383	2,000
50 York Union Banking Co.....	71,240	70,479	70,259	70,430	70,202
51 York City and County Banking Co. .	94,695	95,158	94,447	95,150	89,226
52 Yorkshire Banking Company	122,532	118,802	119,646	119,024	119,009

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 12th May, 1877.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£.	£	£
Bank of Ireland	3,738,428	2,010,550	1,185,600	3,196,150	508,380
Provincial Bank of Ireland	927,667	494,042	397,596	891,638	865,465
Belfast Bank	281,611	228,868	313,438	541,806	346,302
Northern Bank	243,440	234,782	312,360	547,142	396,582
Ulster Bank	311,079	433,230	401,725	834,955	629,533
The National Bank	852,269	917,320	590,255	1,507,575	906,541
TOTALS (Irish Banks)....	6,354,494	4,318,292	3,200,974	7,519,266	3,152,808

SCOTCH BANKS.

Bank of Scotland	343,418	234,860	468,828	703,688	471,515
Royal Bank of Scotland	216,451	252,783	474,573	727,357	634,791
British Linen Company	438,024	171,451	366,477	537,928	201,018
Commercial Bank of Scotland..	374,880	239,817	556,401	796,219	532,280
National Bank of Scotland	297,024	190,936	418,183	609,125	474,284
Union Bank of Scotland	454,346	265,270	516,096	781,366	507,305
Aberdeen Town & County Bank	70,133	107,270	114,755	222,025	192,091
North of Scotland Banking Co.	154,319	184,541	168,495	353,036	224,106
Clydesdale Banking Company..	274,321	202,257	353,278	555,535	364,990
City of Glasgow Bank	72,921	220,966	428,553	649,519	615,018
Caledonian Banking Company .	53,484	44,016	71,736	115,752	72,226
TOTALS (Scotch Banks)....	2,749,271	2,114,167	3,937,380	6,051,550	4,289,554

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING MAY 12th, 1877.**

	Fixed Issues.	April 21.	April 28.	May 5.	May 12.
	£	£	£	£	£
118 Private Banks	3,307,992	2,489,441	2,481,609	2,472,600	2,461,017
52 Joint Stock Banks	2,587,551	2,321,424	2,527,749	2,331,659	2,289,202
165 Totals	6,395,543	4,810,865	4,809,358	4,804,259	4,750,219

Average Weekly Circulation of these Banks for the month ending May 12, 1877:—

Private Banks	£2,476,167
Joint-Stock Banks	2,317,508

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,793,675

On comparing these amounts with the Returns for the month ending April 14th last, they show:—

An increase in the notes of Private Banks, of	£23,833
An increase in the notes of Joint-Stock Banks, of	23,920

Total increase on the month £47,753

And, as compared with the month ending May 18th, 1876:—

A decrease in the notes of Private Banks, of	£60,501
A decrease in the notes of Joint-Stock Banks, of	68,307

Total decrease as compared with the same period of last year £128,808

The following is the comparative state of the circulation as regards the fixed issues:—

The Private Banks are below their fixed issues	£1,331,825
The Joint-Stock Banks are below their fixed issues	270,043

Total BELOW their fixed issues £1,601,868

SUMMARY OF IRISH AND SCOTCH RETURNS TO MAY 12th, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

Average Circulation of the Irish Banks	£7,519,266
Average Circulation of the Scotch Banks	6,051,550

Total Average Circulation of these Banks for the past month £13,570,816

On comparing these amounts with the Returns for the month ending 14th April last, they show—

Increase in the Circulation of Irish Banks	£27,521
Increase in the Circulation of Scotch Banks	255,946

Total increase on the month £283,467

And as compared with the month ending May 18th, 1876, they show—

Decrease in the Circulation of Irish Banks	£164,294
Increase in the Circulation of Scotch Banks	11,445

Total decrease as compared with the same period of last year.. .. . £152,789

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	6,354,494
11 Banks in Scotland, allowed to issue	..	..	..	..	2,749,271
17 Banks in all, allowed to issue	..	..	..	..	£9,103,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	£1,164,772
Scotch Banks are above their fixed issue	..	..	..	..	3,302,279

Total above the fixed issue	..	..	..	..	£4,467,051
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	£3,152,803
Gold and Silver held by the Scotch Banks	..	..	..	..	4,289,554

Total of Gold and Silver Coin	..	..	..	..	£7,442,357
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Being a decrease of £36,868 on the part of the Irish Banks, and an increase of £118,313 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO MAY 12th, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	May 12.	April 14.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 9th May)	28,606,322	27,980,786	625,536	..
Private Banks	2,476,167	2,452,384	23,883	..
Joint-Stock Banks	2,317,508	2,295,588	23,920	..
Total in England	33,399,997	32,726,708	673,289	..
Scotland	6,051,550	5,795,604	255,946	..
Ireland	7,519,266	7,491,745	27,521	..
United Kingdom	46,970,813	46,014,057	956,756	..

The comparison of the month ending May 18th, 1876, with the month ending May 12th, 1877, shows an *increase* in the Bank of England circulation of £831,608, a *decrease* in Private Banks of £60,501, and a *decrease* in Joint-Stock Banks of £68,307, being a total *increase* in England of £702,800, while in Scotland there is an *increase* of £11,445; and in Ireland a *decrease* of £164,234. Thus showing that the month ending the 12th May, as compared with the same period last year, presents an *increase* of £702,800 in *England*, and an *increase* of £550,011 in the *United Kingdom*.

The return of Bullion in the Bank of England for the month ending May 9th gives an average amount in both departments of £25,429,266. On a comparison of this with the Return for the previous month, there appears to be a *decrease* of £763,224; and a *decrease* of £773,762 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending May 12th was £7,442,357; being an *increase* of £81,475, as compared with the Return of the previous month, and an *increase* of £8,801, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	11
Feb. Aug.	6 "	25	Alliance, Limited	10	13½
Jan. July	...	200ft.	Anglo-Austrian	120ft.	5½
Mar. Sep.	10 p. ct.	20	Anglo-Californian, Limited	10	...
May Nov.	...	20	Anglo-Egyptian Banking, Limited	all	11½
April Oct.	4 p. ct.	20	Anglo-Foreign Banking, Limited	10	...
...	...	100ft.	Anglo-Hungarian	all	...
Feb. Aug.	5 "	20	Anglo-Italian, 1866, Limited	10	5½
Mar. Sep.	12½ "	40	Bank of Australasia	all	73½
April Oct.	7½ "	20	Bank of British Columbia	all	...
Jan. July	7½ "	20	Ditto New, issued at £2 pm.	10	...
Feb. Aug.	10 "	10	Bank of Constantinople	6	...
...	...	25	Bank of Egypt	all	...
Jun. Dec.	5 "	20	Bank of Ireland	100	...
Jan. July	10 "	25	Bank of Roumania	8	...
April Oct.	12 "	50	Bank of South Australia	all	4½
May Nov.	15 "	10	Bank of Victoria, Australia	25	48
...	...	50	Bank of New Zealand	all	...
Feb. Aug.	8 "	10	British North American	all	59
April Oct.	6 "	20	Central of London, Limited	6	...
...	...	25	Chartered of India, Australia, and China	all	19
Jan. July	8 "	20	Chartered Merc. of India, London and China	all	27
...	...	20	City	10	14½
April Oct.	13½ "	100	Colonial	30	...
Jan. July	5 "	6	Commercial Bank of Alexandria, Limited	3	...
...	...	10	Consolidated, Limited	4	7½
April Oct.	4½ "	25	Delhi and London, Limited	all	...
May Nov.	10 "	20	English Bank of Rio de Janeiro, Limited	10	12½
Feb. Aug.	8 "	20	English, Scottish, and Australian Chartered	all	...
...	...	20	Franco-Egyptian, issued at 5 pm.	10	...
Mar. Sep.	6 "	28½	Hong Kong and Shanghai Bank Corporation	all	...
Jan. July	6 "	50	Imperial, Limited	15	16½
...	...	20	Imperial Ottoman	10	2½
April Oct.	8 "	25	Ionian	all	...
...	...	25	Ditto, New	10	...
May Nov.	...	20	Land Mortgage Bank of India, Limited	5	2
Jan. July	...	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	...
Mar. Sep.	...	30	London Bank of Mexico & South America, Lim.	20	7
...	...	30	Ditto, New	10	...
Jun. Dec.	8 "	20	London Chartered of Australia	all	...
Feb. Aug.	16 "	50	London and County	20	62
...	...	50	Ditto, New, 1874, iss. at 10 pm.	20	...
Jan. July	15 "	50	London Joint Stock	15	48½
Feb. Aug.	12½ "	10	London and Provincial, Limited	5	...
Jun. Dec.	4 "	100	London and River Plate, Limited	40	...
...	...	25	Ditto, New	10	7½
Mar. Sep.	8 "	10	London and San Francisco, Limited	all	12
May Nov.	...	20	London and South African	all	...
Feb. Aug.	8 "	100	London and South Western, Limited	20	26
...	...	100	London and Westminster	20	63
April Oct.	10 "	20	Mercantile Bank of the River Plate, Limited	all	...
Mar. Sep.	12 "	100	Merchant, Limited	25	30½
Jan. July	8 "	10	Metropolitan A } B receives no dividend until {	all	9½
...	...	10	Ditto B } 10 per ct. has been paid to A {	all	...
...	...	10	Ditto, New, A	1½	...
Feb. Aug.	8 "	100	Midland, Limited	20	...
...	...	50	National	30	...
Jun. Dec.	12½ "	5	National of Australasia	4	...
Feb. Aug.	6/13¼ p. ct.	25	National of Liverpool, Limited	15	...
Jan. July	6 "	10	National of New Zealand, Limited	3½	...
Jun. Dec.	20 "	50	National Provincial of England	21	...
...	...	20	Ditto, ditto	13	52½
...	...	30	Ditto, New, 1874, iss. at £10 prem.	10	...
April Oct.	5 "	20	New London and Brazilian, Limited	10	7½
May Nov.	17½ "	20	New South Wales	all	56
Feb. Aug.	4/3¼ "	20	North Eastern, Lim., iss. at 2 pm., already paid	6	...
...	...	24	North Western	7½	...
April Oct.	10 "	25	Oriental Bank Corporation	all	43½
Jan. July	15 "	100	Provincial of Ireland	25	...
...	...	10	Ditto, New	all	...
May Nov.	12 "	100	Standard of British South Africa, Limited	25	36
Jan. July	16 "	25	Union of Australia	all	61
...	12½ "	50	Union of London	15½	41

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

JULY, 1877.

THE REPORT OF THE COMPTROLLER IN BANKRUPTCY.

THE introduction of a new bill to amend the existing Bankruptcy Law, suggests the desirability of examining what the results of the working of the existing law are, and the readiest method of showing these is by a reference to the report of the Comptroller in Bankruptcy. Men engaged in business, and bankers among others, have continual and constant experience of the working of the existing law, and many complaints are made by them of it; but as the experience of any single individual, or of any class of men, must be limited to the cases in which they themselves are interested, an examination into the general results as shown in this manner cannot fail to be a matter of interest. Here we shall be able to trace the working of the existing system as a whole. Though individuals complain of excessive expense in the administration of bankrupt estates, which have come under their notice, of assets totally or nearly totally consumed in costs, yet we may think that when we proceed to examine further some redeeming point in the system may appear. We may find, some may think, that the instances of excessive expense have been the exception, and not the rule; we may find that the individuals whose complaints have been referred to, have been unfortunate in their experiences, and that the system, when examined in the whole, may show a more satisfactory state of affairs. An examination of the report of the Comptroller in Bankruptcy will very quickly dispel this hope, if it still lingers in the minds of any. Neither in the detail of the methods under which insolvent estates are wound up, nor in the general results can anything be found which is satisfactory to the creditor. A sort of birdseye view

The liabilities and assets of these estates are as follows :—

Year.	Liabilities.	Assets.
	£	£
1874	20,136,670	5,431,848
1875	25,533,644	7,332,779

As will be seen by tables 9 and 10, at the end of the paper (we have preserved the numbering of the tables of the Comptroller in Bankruptcy's Report)—

£12,483,999 of this amount came under liquidations by arrangement (table 9), and
6,068,405 under liquidations by compositions (table 10)

£18,552,404

Thus only about seven millions out of twenty-five millions of the total liabilities administered came under the working of the Bankruptcy clauses of the Act.

There are two other tables contained in the report to which we wish to direct our readers' attention, and which we have therefore reprinted. These are tables 6 and 7 of the Comptroller's Report, stating the general liabilities and assets of the bankrupts, exclusive of estates wound up by arrangement or composition, and the summary of receipts and payments by trustees.

Table 6 shows how very small even the estimated amount of the assets of the bankrupt estates is ; the assets realised beyond doubt being certain to prove very considerably smaller. Table 7 is in another way fully as instructive, as it displays at one glance the enormous and increasing amount of creditors' property at this moment lying in the hands of trustees, and the small amount of dividends comparatively which can possibly be realised from these estates.

On both these points, it is desirable to make some observations which naturally divide themselves into remarks on the theory and practice of the existing law. It is best to take the practice, or rather this particular portion of the practice, first.

And on it we shall do well to quote the following observations in the report of the Comptroller in Bankruptcy :—

"Under the present system, the funds collected are not paid

into any public account, but left practically in the control of the trustees.

"The large and continually increasing balance in hand, which arises from the excess of aggregate receipts during a given period over payments accruing due during that period, cannot, therefore, be employed for the direct or indirect benefit of the creditors, except in rare cases; though a considerable portion may be employed for their own benefit by trustees who calculate on a continuance of business enabling them to pay dividends on older estates from assets to be realised in newer estates.

"The balance declared by trustees in bankruptcy proper, for 31st December, 1875, amounting with unclaimed dividends to nearly half a million, it is probable from the amount of assets given up, and from other circumstances connected with administration under liquidations, that the total balance amounts to between three and four millions."

It would seem that this very unsatisfactory state of affairs had attracted the attention of the Lord Chancellor, and an endeavour is apparently made in the new Bankruptcy Bill which Lord Cairns has brought this year into the House of Lords to mitigate the evils which arise from it. We will give first the reference to the clauses in the new bill which apply to the case, and in the next we shall proceed to show from the accounts published in the report of the Comptroller how insufficient the remedy proposed would be to meet the evil.

The clauses referred to are 63 and 139 of the new bill as amended on report. Clause 63 provides, among other matters, that "in bankruptcy proceedings at the expiration of two years from the date of the provisional order, the trustee or receiver shall pay all moneys then in hand, and all moneys thenceforth received by him, into court in manner prescribed, unless under the special circumstances of any particular matter the court shall by order extend the time"—and clause 139 extends the same or nearly the same provisions to "every trustee or inspector under a deed of arrangement." These provisions in the new bill seem at first sight as if they would supply a complete and satisfactory system under which the vast amounts now belonging to creditors and at present lying dispersed in the hands of countless trustees scattered over the whole surface of the kingdom, might be brought into the custody of the court, the sums not immediately required invested, and the proceeds applied to carrying on the machinery of administration.

But one glance at the accounts as published by the Comptroller disperses this pleasing vision in a moment, or at least reduces the probability of its realisation in a very

considerable degree. Passing by the dangerous clause, "unless the court shall under the special circumstances of the case by order extend the time," a power which should not we think be allowed to exist, as the claims of "special circumstances" will probably be found to be most inconveniently large, the accounts of the Comptroller show that the balance in hand of the trustees who were bound to state their accounts to him was on

31st December, 1875	...	...	...	£491,206
The balance had been on 31st December, 1874	...	...	...	340,614

No less therefore than £150,592 out of £491,206, the total sum in the hands of the trustees, had accumulated in the course of the last year to which the accounts refer. It would hence appear that if the funds accumulate in the same proportion, and should the trustees in Bankruptcy be allowed to retain the balances in their hands for the space of two years, twice £150,000, that is £300,000, out of a total of £491,000, would still remain in their possession, and would not be available for the purposes proposed by the Lord Chancellor. In practice, however, we believe that a far larger proportion of the whole would lie, as at present, in their keeping, as the earlier years of insolvency proceedings whether in Bankruptcy, or by arrangement or liquidation, are precisely those in which money is coming in, while in the later years it is passing out.

In practice, therefore, we believe that more than two millions and a half, probably nearly three millions out of the four millions of undistributed assets to which the Comptroller refers, would remain as at present in the hands of the trustees. We cannot think this would be a satisfactory arrangement. There is we believe only one course; and that is to bring all assets whatever under the control of the court, and to separate the custody of the assets at once and completely from the hands of the trustee.

This, however, is only one detail in the practical working of the system. An examination of the amount of the assets realised, or even estimated as likely to be realised, brings to the mind a further question as to the theory on which the present law is grounded.

The gross estimated assets of insolvent estates appear from the Comptroller in Bankruptcy's Report to be rather more than a quarter, but not one-third, of the total liabilities. Insolvents therefore, to take them all round, are worth something like 5s. in the pound. That is to say, a man on the verge of bankruptcy continues to trade, continues to carry on his attempts to deceive his creditors, till he has dissipated three-quarters of the gross

sums which he owes to them. And yet no attempts are made by legislation to endeavour to restrain a course on the part of traders which cannot fail to be destructive of our commercial prosperity.

Is it possible to believe that men can be carrying on business with the smallest approach to honesty when their affairs are embarrassed to such a degree that they collectively possess so small a proportion of their liabilities? And this general average masks a state of matters which is really far worse than what appears on the surface.

Of the 272 bankrupt estates, among the 543 closed in the course of the year to which the Comptroller in Bankruptcy refers in his report, only 30 paid dividends exceeding 10s. in the pound, while 242 paid smaller dividends, of these last 184 paid dividends not exceeding 5s. in the pound.

These facts suggest the question, are we right in the theory of the present Bankruptcy Law? As that law stands, the theory is that insolvency is the result of misfortune. Do not these figures show that a very large proportion of the failures is the result of fraud? Do we not require a system of administration which besides providing a method of winding up insolvent estates, speedily and economically, will furnish also the means of detecting fraud?

It must be borne in mind that a system of administration which would detect fraud in these matters is doubly advantageous. It would not only assist to increase the amount which should be divided among the creditors, but it would save their pockets still more effectually by deterring the fraudulent from attempting to defraud. The economical administration of insolvent estates would be a great advantage to creditors, but the promotion of a sounder state of trade generally would be a greater advantage still. No Bankruptcy Tribunal will be satisfactory to the public which does not include the detection of fraud among the first and the chiefest of its duties.

TABLE 6.—BANKRUPTS' LIABILITIES AND ASSETS.

	Land. Bankruptcy Court.	County Courts.	Total.
Liabilities as stated by bankrupts, or where no statement of affairs filed, as estimated by Trustees	£ 4,957,773	£ 2,023,467	£ 6,981,240
Assets as estimated by Trustees	588,435	372,320	960,755

TABLE 7.—SUMMARY OF RECEIPTS AND PAYMENTS BY TRUSTEES.

<i>Cr.</i>			
Balances in hands of Trustees on 31st December, 1874	£340,614	11	6
Balance in Bank of England on 31st December, 1874	6,146	11	11
			£346,761 3 6
Receipts by Trustees from 31st December, 1874, to 31st December, 1875 .. .	803,882	15	8
Advances by Trustees for carrying on business, completing contracts, &c., and remaining due to them on 31st December, 1875	25,563	1	7
	829,445	17	3
Less payments to secured creditors and extraordinary outlay	177,497	16	8
			651,948 0 7
Total			998,709 4 0
Balance brought down			499,865 7 10
<i>Dr.</i>			
Repayment of advances by Trustees due on 31st December, 1874	£29,413	1	0
Sundry payments, including dividends from 31st December, 1874, to 31st December, 1875	469,430	15	2
Balance in hands of Trustees on 31st December, 1875	£491,206	17	2
Balance in Bank of England on 31st December, 1875, being unclaimed dividends and unappropriated balances remaining after close of bankruptcy	8,658	10	8
			499,865 7 10
Total			£998,709 4 0

TABLE 9.—LIQUIDATIONS BY ARRANGEMENT.

	Petitions Filed.	Resolutions Registered.	Resolutions for Discharge.	Gross Amount of Debts.	Gross Value of Estate.	Gross Amount of Stamp Duty.
London Bankruptcy Court	1,514	515	197	£ 6,184,328	£ 2,359,594	£ 6,239
County Courts	6,874	3,718	1,317	6,299,671	2,238,879	18,232
Total	8,388	4,233	1,514	12,483,999	4,598,473	24,471

TABLE 10.—COMPOSITION WITH CREDITORS.

	Resolutions Registered.	Gross Amount of Debts.	Gross Amount of Composition.	Gross Amount of Stamp Duty.
		£	£	£
London Bankruptcy Court..	703	3,060,542	755,265	3,545
County Courts	1988	3,007,863	1,018,186	7,566
Total	2691	6,068,405	1,773,551	11,111

Taken from General Report by Comptroller in Bankruptcy for the year ending 31st December, 1875.

(Made in pursuance of section 115 of the Bankruptcy Act, 1869.)

THE PRESENT STATE OF ECONOMIC THOUGHT IN ENGLAND.

(Continued from January Number.)

The Theory of Political Economy. By W. STANLEY JEVONS, M.A. (Lond.), Professor of Logic and Political Economy in Owens College, Manchester. London and New York: Macmillan & Co., 1871.

IN continuing the survey of the present state of Economic Thought in this country, which was commenced in our January Number, we now proceed to the consideration of a work based on a completely different idea from those referred to at that time; and this book is Professor Jevons' "Theory of Political Economy." The writers of the volumes previously noticed appeal to the general public, Professor Jevons to the scientific reader. It is not proposed in this place to make any comparison of the respective merits of the two classes of books; but they present a remarkable contrast in their mode of dealing with the subject. Professor Jevons aims at a mark so high, that it is impossible not to feel the deepest respect for the labour which he has lavished in his efforts to attain it. He is already well known as a most painstaking and laborious investigator on many social subjects, as well as a distinguished writer on Political Economy and Logic, and is at the present time Professor of Political Economy at University College, London. Those who had the advantage of attending the meeting of the British Association, held at Liverpool in 1870, and of listening to Professor Jevons' inaugural address as President of the Economical Section, must have perceived in him a breadth of view joined with an earnestness of purpose of a most valuable quality. And on the book recently published he has lavished unwearied pains. For ten

years at least, as he informs us, Professor Jevons has been maturing the opinions which he now puts forward. This careful consideration, this long reticence are so unusual in these days of hasty, undigested writing, that they form of themselves no inconsiderable claim to respectful attention.

And this attention should be given the more fully on account of the form in which the argument is put. Professor Jevons stands almost alone amongst living writers in presenting his social theories in the form of mathematical problems. The difficulties experienced in such a course of action are explained in the preface, as well as the advantages to be expected from the following out this method.

“Mathematical readers may perhaps think that I have explained some elementary notions, that of the degree of utility, for instance, with unnecessary prolixity. But it is to the neglect of economists to obtain clear and accurate notions of quantity and degree of utility that I venture to attribute the present difficulties and imperfections of the science; and I have purposely dwelt upon the point at full length.

“Other readers will perhaps think that the occasional introduction of mathematical symbols obscures instead of illustrating the subject. But I must request all readers to remember that, as mathematicians and political economists have hitherto been two nearly distinct classes of persons, there is no slight difficulty in preparing a mathematical work on Economy with which both classes of readers may not have some grounds of complaint.”—Preface, Jevons, p. ix.

To many of those who read these words the question will inevitably occur, why was this great difficulty encountered? The science itself is by no means an easy one to master. Why has the writer voluntarily undertaken a course surrounded by difficulties to which he need not have exposed himself? The answer to Professor Jevons' mind is plain and conclusive. The form is not selected from choice but of necessity; from a conviction that this method alone will lead to clear and accurate ideas on the subject. To quote his own words:—

“The symbols of mathematical books are not different in nature from language; they are merely a perfected system of language, adapted to the notions and relations which we need to express. They do not make the mode of reasoning they embody; they merely facilitate its exhibition and comprehension. If then in Political Economy we have to deal with quantities and complicated relations of quantities we must reason mathematically; we do not render the science less mathematical by avoiding the symbols of algebra, we merely refuse to employ, in a very imperfect science much needing

every kind of assistance, that apparatus of signs which is found indispensable in other sciences."—P. 6.

This sentence gives perfectly sufficient reasons for endeavouring to apply the mode of investigation followed in the book. It is further explained, indeed it is sufficiently shown, that the manner in which the explanation is given does not in the slightest degree affect the arguments employed. These are independent of the method used, though Professor Jevons naturally considers that they can be explained thus with the greatest facility, and this for the reason which follows. The science of Political Economy deals with questions which involve quantities, and questions involving quantities are best dealt with in the manner in which they can be stated with the greatest clearness. Such questions may be or may not be dealt with in a mathematical manner. That they are so, or that they are not, is a mere question of convenience, of the inclination or habit of thought of the writer. Some writers, including the great Laplace, have endeavoured to explain the most abstruse scientific questions in ordinary words, but these attempts, however ingenious their authors, only show the deficiencies of common language in explaining complicated relations. Professor Jevons has, therefore, elected to employ the most complete, though the most difficult method. The basis of his mode of exposition consists in the application of the differential calculus to investigating the daily operations of industrial life. To furnish an idea of this theory to persons more conversant with the methods of ordinary arithmetic than any other form of calculation, it may give some rough notion to say that as the "rule of three" enables the calculator to attain from the consideration of certain known facts to the knowledge of one unknown, so the differential calculus enables the value of an unknown quantity, which may vary within certain given limits, to be ascertained in as completely accurate a manner. Infinitely small quantities can be successfully dealt with by this method. Every part of a curve can be accurately traced, and the position of any part of it exactly expressed by a numerical value. It will be perceived that this mode of inquiry may thus be applied to social questions in which various values differ from each other by amounts very small in themselves, but gradually progressive to the largest dimensions. Such a mode of inquiry is, of course, far more capable of affording a complete analysis of the varying problems of human life than the simpler, rougher methods of ordinary arithmetic. If such a method can be adopted there can be no doubt that the gain to the scientific inquirer would be very great, and the mere attempt to employ such a mode of

reasoning cannot fail to be very beneficial, were it only for the wholesome restraint which the having to place a theory in so exact a form must exercise on the mind of the expositor. That a writer who grapples with such difficulties in so fearless a manner should feel himself disinclined to accept without consideration the conclusions which his predecessors have arrived at, is no matter for surprise. No weight of authority, however great, prevents him from examining and deciding for himself. "In other sciences," as Professor Jevons reminds us, "this weight of authority has not been allowed to restrict the free examination of new opinions and theories, and it has often been ultimately proved that authority was on the wrong side." Further on in the volume this remark occurs—a remark which deserves to be taken as the motto of the really scientific observer: "Nothing is less warrantable in science than an uninquiring and unhoping spirit. In matters of this kind those who despair are almost invariably those who have never tried to succeed."

These brief remarks will serve to give an outline of the method employed in the inquiry, as well as of the truly scientific spirit in which it is conceived. It is now desirable to turn to the subject of the investigation.

The key-note of Professor Jevons' theories is struck in the earliest pages of his book:—

"Repeated reflection and inquiry have led me to the somewhat novel opinion that *value depends entirely upon utility*. Prevailing opinions make labour rather than utility the origin of value; and there are even those who distinctly assert that labour is the *cause* of value. I show, on the contrary, that we have only to trace out carefully the natural laws of the variation of utility, as depending upon the quantity of commodity in our possession, in order to arrive at a satisfactory theory of exchange, of which the ordinary laws of supply and demand are a necessary consequence. This theory is in perfect harmony with facts; and whenever there is any apparent reason for this belief, that labour is the cause of value, we obtain a complete explanation of the reason. Labour is found often to determine value, but only in an indirect manner, by varying the degree of utility of the commodity through an increase in the supply."—Jevons, p. 2.

It hence becomes obvious that a full and accurate investigation of the conditions of utility lies at the foundation of Political Economy; to understand this it is needful to examine the character of the wants and desires of man. "Wants, Efforts, Satisfaction, this is the circle of Political Economy," as Bastiat has well said. "In the first place utility, though a quality of things, is no *inherent* quality. It might be more accurately described as a circumstance of things arising out of their

"relations to man's requirements."—Jevons, p. 52. Thus water, perhaps the most useful of all substances, the most essential to our life, has, under many circumstances, neither utility nor value. Utility must be considered as identical with the addition made by anything to a person's happiness. "As a general law it varies with the quantity of commodity, and ultimately decreases as that quantity increases."

The consideration of utility leads on, by a natural transition, to that of value. Now although we cannot say that value is the sole measure of utility, yet the connection between the two is so close that it becomes needful to inquire into the conditions under which value exists. Professor Jevons' definition differs so much from that of Mr. J. S. Mill, that it will be desirable to compare their statements closely. "Value," Mr. Mill tells us, "is a relative term. The value of a thing means the quantity of some other thing, or of things in general, which it exchanges for." To this Professor Jevons replies:—

"If there is any fact certain about value it is, that it means not an object at all, but a quality, attribute, or rather a circumstance of an object. Value implies, in fact, a relation, but, if so, it cannot possibly be *some other thing*. A student of economy has no hope of ever being clear and correct in his ideas of the science if he thinks of value as at all a *thing* or *object*, or even as anything which lies in a thing or object. Persons are thus led to speak of such a nonentity as *intrinsic value*. There are, doubtless, qualities inherent in such a substance as gold or iron which influence its value; but the word value, so far as it can be correctly used, merely expresses *the circumstance of its exchanging in a certain ratio for some other substance*. If a ton of pig iron exchanges in a market for an ounce of standard gold, neither the iron is value nor the gold, nor is there value in the iron nor in the gold. The notion of value is concerned only in the fact or circumstance of one exchanging for the other. Thus it is scientifically incorrect to say that the value of the ton of iron is the ounce of gold: we thus convert value into a concrete thing; and it is, of course, equally incorrect to say that the value of the ounce of gold is the ton of iron. The more correct and safe expression is *that the value of the ton of iron is equal to the value of the ounce of gold*, or that their values are as one to one."—Pp. 81-2.

The distinction which Professor Jevons draws is not a mere verbal difference, and the want of apprehending it clearly has led to a confusion of ideas between value and utility. The value of any commodity is measured, not by its total utility, but by the intensity of the need we have for more of it. Exchange between one man and another, between one country and another, accordingly rests entirely on the consideration of utility, and

on no other point whatever. This argument leads Professor Jevons to controvert Mr. J. S. Mill's theories on the subject of international trade. These theories have been largely discussed many times. They lead Mr. Mill to the conclusion that one nation may, by means of taxes on commodities imported, "appropriate to itself, at the expense of foreigners, a larger share than would otherwise belong to it of the increase in the general productiveness of the labour and capital of the world." Professor Jevons entirely questions the truth of Mr. Mill's conclusions, arguing, and with great ability, that to state this involves a "confusion between the ratio of exchange and the total utility of a commodity; and a far more accurate knowledge than any one yet possesses would be required to estimate the true effect of any tax."

We have endeavoured to place the thread of this argument clearly before our readers, as it shows both a leading portion of Professor Jevons' theories, and also marks the close connection which may exist between abstract thought, and the dealings of actual life. Few things can at first sight appear to have less in common with each other than a theory of value, and the practice of taxation. But Mr. J. S. Mill's arguments have been largely quoted at different times; for instance, during the debates on the Commercial Treaty with France, and during discussions on tariffs in Australia, in defence of the scientific propriety of levying high import duties. In this instance, it is very obvious that the method which Professor Jevons had made use of has been of considerable service to him, by enabling him to keep closely before his mind the actual results of the working out of the theory which he desires to expound; and in working out similar problems it appears to us that the method which he has employed may prove, and, if fairly carried out, is certain to prove, of the greatest service to future students. It is no answer to this proposed method to reply, as some have done, that the amount of information already stored up is too slight, and the investigations hitherto made too incomplete, to allow a scientific theory to be based on them. It is no answer to urge, what at first sight appears a more plausible objection, that habits of thought differ so much between man and man, between one country and another, between one age and another, that no comparison can be made between them. The theory now put forward does not attempt to be universally true, except under the circumstances taken as the basis of the argument. To frame a complete theory applicable to every age, to all climates and conditions may be impossible, "but," as Professor Jevons says well,

"we shall never have a science of Political Economy unless we learn to discern the operations of law, even among the most perplexing accidents and interruptions." We have little doubt that to him, as stated in his concluding words, "it is far more pleasant to agree than to differ" with those who have preceded him as teachers in economic science. But he is perfectly right in refusing to accept hitherto received opinions merely because they are sheltered behind the dignity of great names. One advantage we should certainly obtain from the more general use of the method which Professor Jevons advocates, it would make us, as he says, "very careful in many of our conclusions." Though the course of study recommended may be a difficult one, to adopt it would lead the follower on no uncertain track. Meanwhile, we are thankful to Professor Jevons for this valuable addition to the literature of a science on the right understanding of which so much of the welfare of the human race depends.

THE GILBERT LECTURES ON BANKING.

DELIVERED AT KING'S COLLEGE, LONDON (SESSION 1877),
 BY PROFESSOR LEONE LEVI, F.S.A., F.S.S., of Lincoln's Inn,
 Barrister-at-Law, Doctor of Political Economy.

LECTURE II.

ELEMENTS OF BANKING.

IN one of the lectures on banking I had the honour to deliver last year, I represented to you England as the great workshop of capital. Here, is a multitude, working, struggling, panting, from day to day, to gain for themselves a bare existence. There, are others, immensely prosperous, gaining thousands, and spending hundreds. In agriculture and in manufacture, in the walks of the arts, literature, and science, in commerce and shipping, and in the government and defence of the state, this vast population is constantly hard at work, with varying success and fortune, yet altogether amassing large and portentous amounts. But those who accumulate capital are not themselves always able to employ it productively. The sellers and the buyers of capital are two distinct classes of persons. What lending and borrowing, what trusting and advancing, what placing and displacing of capital, in money and merchandise, in building and machinery, in roads and canals, are required to maintain the great factory of human labour and industry in

constant activity! Who are they that move this great machinery, bring lenders face to face with borrowers, control and supply, provide and distribute capital in every nook and corner, take it from where it abounds, send it where it is needed, cause the supplies of the agricultural districts to flow into the towns, and make millions and millions to pass from hand to hand, and to effect the most wonderful operations of exchange? These are the bankers. They are the intermediaries. They are the moving power, the great instruments regulating the traffic of the world. Well may banking be called the queen of industries. Traders you may be, my friends, in some limited sense; but you are more than traders—you are bankers.

Bankers, let it be remembered, do not create capital; they only give it new utilities. No operation of banking can add one iota to the previously existing capital of the nation; it only helps to distribute it in an advantageous manner. A great blunder has often been committed by supposing that by the issue of bank notes payable to bearer, a banker has it in his power to create capital to any amount. A banker may mobilise capital, but the capital must exist quite independently of his action. Bank notes, bills of exchange, and any other instruments of capital, may represent capital, but they are not so in themselves. The utility of credit consists, not in putting in circulation so much paper, but in procuring to him who wants capital the use of that which belongs to another who cannot use it profitably. It prevents capital remaining idle. It makes production more active, capital more available. Law's bank and the currency-mongers of every century have ever stumbled at this, that credit is capital, and that bankers can use or abuse the credit they possess for the issue or circulation of any amount of capital. Buoyancy of trade, an exceptional run of good fortune, sanguine expectations, and the publication of fabulous profits on speculation, whether true or false, encourage the investment of capital in wild enterprises, and the assumption of liabilities of inordinate amount. A crisis comes, and the gates are shut for the supply of capital. Issue notes, cries the forlorn speculator, the abuser of credit. Yes, if they can be issued on the existence of *bonâ fide* capital. Otherwise, what will be the value of them? A state undertakes a war, and expends millions and millions of hard-won capital. Gold and silver take wings, and commerce and industry languish for want of capital. Issue a forced paper currency. Let that be your capital. Alas, no. Capital cannot be manipulated; it must be produced by dint of toil and industry, and it is not in the power of either the state or the bank to create a single farthing of good, *bonâ fide* capital.

But the grand triumph of banking consists in attracting capital from the most unlikely sources into its coffers. Bankers are the gatherers of the savings of the people. By many years' hard labour and wonderful abstinence from waste, you have succeeded in saving £10 or £100. Do not hide that sum in the cupboard; do not bury it under your feet. Bring it to me, says the banker. If you keep it yourself thieves will steal it from you, troublesome friends will manage to take it from your hands. Put that money into my coffers, and you will have it safe. You have earned £100 to-day, which you will not need for months. Let it not remain idle even for that time. Your commodity is of immense value. Let me utilise it, says the banker, whilst you cannot use it. It is not long since every merchant kept a certain amount of spare cash in his box. Why such waste? Bring to me all your spare cash, and I authorise you to draw cheques for the same in sums as low as £1. You are laying by money to pay your bills or rent due next April or May. Do not let that money remain idle in the meanwhile. Bring it to me. And so by dint of perseverance in offering their good services, and by an appeal to self-interest and a sense of security, bankers have succeeded so to insinuate themselves in the good graces of the community, that people have learnt to have a perfect repugnance to keeping by them needless amounts of currency of gold or notes. They feel, more than ever, the inconvenience of it, the risk attending it, and the loss of interest involved in keeping it on hand, and so they place all they have in the bank.

There are certain conditions, however, to the success of a bank in collecting the savings of the people. It must be at hand; it must be safe; it must offer a sufficient advantage. It must be at hand. Look at what has been achieved by the post-office. Before the introduction of the penny postage there were in the United Kingdom 4,500 post-offices, and together there were carried 168,000,000 letters; that is, in the proportion of 37,000 letters per post-office. In 1875 the number of post-offices and letter-boxes was 22,000, and the number of letters carried 1,000,000,000; or, in the proportion of 45,000 each. Before the introduction of the post-office savings banks the number of trustees' savings banks was 366, and together they had £36,000,000 of capital entrusted to them. The post-office added 4,853 savings banks; and whilst the old savings banks have increased their deposits to £42,000,000, the post-office savings banks have gathered £25,000,000 more. And so in banking. Compare England with Scotland. In Scotland, with 251 banking offices per million inhabitants, there are £23 deposited for every inhabitant. In England and Wales, with

only 78 banking offices per million inhabitants, there are only £16 deposited per inhabitant, including all the discount and private banks; and remember, England is immensely richer, and at least seven times greater, in every respect, than Scotland. Does this not prove that just in proportion as a bank becomes accessible to the community, so it is able to attract deposits of its savings?

It is not sufficient, however, that the bank be at hand—it must be safe. The safety of the bank must be clear and undoubted. “Safe as the Bank” is the common saying, and it must be verified by experience, for the slightest shadow, the merest glimmer of a doubt, will destroy all its chances of success. But how is this full, complete, unshaken confidence to be secured? By the possession of a large capital and a competent reserve fund, and by a well-established character for prudence and wisdom in management. By a wise provision of the law, no bank can be founded without a capital of at least £100,000. But that is not a sufficient amount. Exclusive of the Bank of England, which has a capital of £14,000,000, 117 English banks have an average paid-up capital each of £268,000; 11 Scotch joint-stock banks have an average paid-up capital each of £882,000, the reserve amounting to an average of £110,000 in the English banks, and £351,000 each in the Scotch banks. What amount of reserve funds ought the Bank of England or any bank to keep to be prepared for any contingency or any extraordinary demand on their deposits is a question of great difficulty, most ably dealt with in Mr. Bagehot’s work on “*Lombard Street*,” and in the pages of the *Economist*. The immense deposits at the banks are, in most cases, only kept “at call.” What if a demand should suddenly be made for the recall of any large amount. It is needless, indeed, to speculate on contingencies not likely to happen. Yet it is the wisdom of a banker not to rely too exclusively on the experience of the past, but to look ahead for the most distant possibility of a panic, or revolution, or war, which may shake the commercial interests as well as public and private credit to their very depth. As for the Bank of England, the very fact that it has in its hands the whole banking reserves of the country is sufficient to impose upon it more than ordinary caution. According to Mr. Bagehot, the actual reserve ought never to be less, and always, if possible, to exceed, by a reasonable amount, the minimum apprehension reserve, which in the case of the Bank of England should be £10,000,000. But this is an arbitrary sum, and I doubt whether we can prescribe what, under any circumstance, should be the relation between the reserve and the liabilities. Each banker

must, after all, be guided in such decision by his own sense of prudence and safety. He should never trust too much on the chapter of accidents, and should be always careful in keeping resources sufficient for any possible demand, the result even of the most unexpected contingency. Another element in the safety of the bank is certainly its constitution. In Scotland the banks are all joint-stock. In England there are yet numerous private banks. Even in England, however, ever since the formation of joint-stock banks in London, the joint-stock principle has been on the ascendant. In 1854 there were 532 private banks and their branches. In 1873 their number had increased to only 555. But of joint-stock banks, in 1854, there were 619, and in 1873, 1,666. There are certainly elements of safety in joint-stock banks which are not to be found in private banks. In the one, the capital is known; in the other, it is always uncertain. In the one, there is full publicity of accounts; in the other, no publicity is required. On the other hand, there is this advantage in a private bank, that whilst its affairs are managed by those who have their capital and reputation at stake, and by persons who give their whole time in the management of the business, in joint-stock banks the management is confided partly to directors, who have but a limited interest in the concern, and whose time is otherwise more than filled up with other avocations, and partly entrusted to salaried managers whose influence is not always supreme in the administration. There is moreover no doubt as to the fact, that in the event of failure the depositors in a joint-stock bank have, as a rule, received a larger dividend than those in private banks. The liability of partners in our joint-stock banks is now in most cases limited. That is, limited to the total amount of each share, whatever be the amount actually paid up at any time. But whether a bank is sufficiently safe to attract deposits does not so much depend upon whether it is constituted on the principle of limited or unlimited liability, as upon whether it stands in high credit, or otherwise, with the public. The good working of a bank depends on public confidence, and public confidence is itself the certain result of its good working. Well managed, a bank is sure to be successful. Badly managed, it is sure to be the reverse.

There is another condition to the success of a bank in attracting the savings of the people. It must offer not only convenience, but advantage. At one time the deposits of bankers consisted almost entirely of capital lying idle in quest of investment. The money so deposited remained at the bank so long only as the depositor could not himself safely invest it. But the

moment the owner found a way to buy either consols, railway shares, or land, with profit, the deposit was forthwith withdrawn. Of late, however, our bankers, desirous to accumulate as large an amount of the floating capital of the country as possible, are offering themselves a compensation, or a certain rate of interest for the same. And so depositing in a bank has itself become a method of investment. It is wonderful what a power that rate of interest has in bringing out money from the pockets of the people. If the value of money is low, say 1 or 2 per cent., people will not so much mind keeping a few hundred pounds lying idle. Let the value be 6 or 7 per cent. and forthwith they scrape up every farthing and send it to their bankers, or endeavour in one way or another to make it profitable. A story is told of a customer of the banking house of Child & Co., that, having a considerable sum of money idle in his hands, was anxious to meet with a London banker to take charge of it. With that sum on hand he took a journey to London, and visited several bankers, whom he consulted as to the terms upon which they would take his money. The bankers were all anxious to accommodate him, and one said he would allow him 2 per cent., and another that he would allow 3 per cent., while a third hesitated as to what he would do. At last he went to Childs', where he stated his business, and asked what interest they would allow upon so large a sum of money. The reply was, "We shall be happy to take charge of your money, but we will not give you any interest for it." This answer appeared so to gratify the old gentleman, that he exclaimed, "Then this is the place for me," and he, thereupon, opened his account with that bank.* This is not the manner, however, in ordinary cases, and I venture to say that the granting of some interest, however low the rate, has proved a mighty impulse to the enlargement of the bankers' deposits, in the same manner as it has proved powerful in stimulating the deposit of money, whether in the trustees' or post-office savings banks.

By thus buying capital at a low rate of interest to sell it again at a higher, bankers certainly invade to a certain extent the business of discount houses. Is this addition to their legitimate business of taking care of the savings of the people in every way desirable? The Bank of England pays no interest on deposits. They consider that the proper function of a banker is to keep the spare cash of their customers. If they invited larger deposits by offering a certain rate of interest, they would require to invest them upon securities paying a higher interest. But the deposits at the

* "Handbook of London Bankers," p. 33.

Bank of England consisting of Government deposits, which rise from a low state at one period of a quarter up to five or six millions higher at another period of a quarter, and again collapse to a very low rate at another, and of deposits of the bankers and the joint-stock banks of London, deposits which the bankers require to work their own business, the Bank of England feel themselves not justified in investing them, at least, very closely. The Bank of England regard their deposits as the last resort of the country in times of pressure, and they consider that anything which might create very high competition or dealings of a speculative character on the part of the bank might be attended with risk to the public interest. Considerations like these are entitled to great weight, as far as the Bank of England is concerned, but they do not apply with the same force to the ordinary bankers, and, considering that it is of the greatest importance to encourage as much as possible the gathering into a focus all the savings and spare capital of the people, which otherwise might be utterly unavailable for production, I think joint-stock banks are doing well to offer a certain rate of interest as an inducement, especially to the over-cautious, and often indolent, holders of capital, to bring it into the common stock. It is impossible, at the same time, to ignore the fact that the accumulation of too large an amount of deposits in comparatively few hands, especially when for their use a rent or interest has been paid, may stimulate reckless investments, or, still worse, compel the disregard of that proper caution which bankers should exercise in the employment of their funds, a neglect which has been remarkably illustrated in the blunders of last year. Need I say that neither the anxiety to confer a boon on the communities, nor the legitimate desire to extend their operations should ever be made to operate against the all-essential element of success—the safety of the bank?

In many ways bankers commend themselves to the support, especially, of a commercial community. They offer a place of security for the deposit of money, and every one who has had the care of large sums of money knows the anxiety which attends their custody. They transmit money from one part of the country to another. They enable their customers to save time and trouble in making money transactions. They constitute themselves a place of reference as to the respectability of their customers. And in a thousand ways they facilitate the business of commerce with the most distant regions of the world. And what economy in the currencies do they afford! Gold and silver are not only valuable, but rare and expensive. Only make use of a banker, and they can be dispensed with in a hundred ways. A banker has in his

hands funds belonging to many of his customers. He receives their money and makes their payments. But how little real coin passes ! The customer brings in cheques or other effects to-day, and to-morrow he draws again cheques on the same. By the instrumentality of the banker the customer has it in his power to employ whatever he receives each day, and to pay what he has to pay the same day the payment is due. He loses no interest either in keeping a farthing idle of what he receives, or in preparing for what he has to pay. If the customer has to pay a sum to one who banks at the same bank, he can do so by simply writing a letter to the bank to transfer that amount from his credit to the account of the other. Each cheque passed is in reality a letter of transfer from one account to another. And what is the clearing-house but a method of paying and receiving immense sums at the least expense of currency ? In Venice, Genoa, Amsterdam, Hamburg, where there was only one bank of deposit and transfer, and where nearly every merchant deposited in the same bank, what need was there to take out the coin from the bank that the creditor might re-deposit it in the same place in his own account ? Two entries in the ledger of the bank were quite sufficient, however large the number of depositors, so long as all deposited in the same bank. A transfer of credits at the ledger was quite as effectual as the transport and actual payment of coins. Suppose, however, there are two banks, and some customers deposit in the one and some in the other. The only difference will be that what was done solely as between the different depositors in one bank must now be completed by the transfer of credits as between the two banks themselves. And this is what is done every day at the clearing-house, completed and perfected by the action of the Bank of England as the arbiter and moderator of the entire banking system of the country.

Relatively to other banks, and to the immense progress of the country, the Bank of England might be said to occupy scarcely so high a position now as in former years. In 1851, the capital and deposits of the Bank of England was as 1 to 7 of the capital and deposits held by other banks in the United Kingdom. In 1875, the proportion held by the Bank of England was as 1 to 16 of the capital and deposits held by other banks.*

* Capital and Deposit.

1851. Bank of England	£33,000,000	1875. Bank of England	£45,000,000
Other Bankers	227,000,000	Other Bankers...	723,000,000
	£260,000,000		£768,000,000

In 1851, there were £20 of Inland bills created to every pound of such bills discounted by the Bank of England. In 1875, there were at least £30 of Inland bills created for every pound of the same discounted by the Bank of England.* In 1851, there were £2. 5s. 5d. of British produce and manufacture exported from the United Kingdom for every pound of capital and deposits held by the Bank of England. In 1875, there were exported £4. 19s. 0d. of British produce and manufacture for every pound of capital and deposits held by the Bank of England.† Nevertheless, the Bank of England is now, as ever, the sheet anchor of the state, and its high position and utility as the centre of our banking institutions is more than ever universally acknowledged. If the different bankers commend themselves in a greater degree to the support of the community by their accessibility, their safety, and the valuable services and benefits they offer to their customers, the Bank of England commends itself to the nation and the state, not only by its activity as the bank of the state, as the practical administrator of national finances, and the greatest of all receptacles of wealth, but by its very abstention from competing with other bankers in the race for business, by its care to secure the very maximum of security, and by its perfect ability to weather any storm, and to surmount any obstacle.

Another method whereby a banker is capable of rendering great service to the community is by the issue of notes payable to bearer on the deposit of sufficient securities. But partly in consequence of the exceptional privilege granted to Bank of England notes of being declared legal tender, partly for the protection of the careless, and partly also from the belief that by such an issue there might be maintained in circulation an amount of notes quite disproportionate to the wants of commerce, this source of profit to bankers, and this element of convenience to their customers, have been greatly crippled by the legislature. It is not necessary for me to dwell on this debatable ground at present, but I venture to doubt whether it is the function of Government to protect the stupid and careless, and to express a decided conviction that it is not in the power of any bank to maintain for any length of time an inflated

* Bills discounted and created.

1851. Bank of England	£3,200,000	1875. Bills discounted	£7,500,000
Inl. Bills created	65,000,000	Inl. Bills created	210,000,000

† Exports of British Produce.

1851. Exports	 £76,000,000	1875. Exports	 £223,000,000
Capital and Deposit	33,000,000	Capital and Deposit	45,000,000

currency. The Bank of England is permitted to issue notes uncovered by bullion to the extent of the amount due to it by the Government. Other bankers have similar power, within certain limits, but no principle has as yet been established regarding them, and all that can be said is that the practice which the legislature has consolidated works in ordinary times in a tolerably smooth manner. As I have already stated, it is not in the power of any bank to create capital, nor could any issue of notes possibly have that effect. But a large amount of capital advanced by bankers in discounting bills is virtually shut up in their till, and what would be the difference between maintaining them in circulation and substituting for them bank notes or a simple and uniform instrument, bearing the signature of a banking establishment, payable always on demand, for a variety of bills and notes, bearing numerous signatures, payable at different times, and endorsed or guaranteed by the discounting banker, bankers being insurers of or guarantors for the payment of such effects? The principles of the currency well deserve more elucidation than they have as yet received, especially under the circumstance of the enlargement of the deposit system, the wide adoption of the mode of paying by cheques, and the further extension of the clearing-house, all of which have so diminished the use of bank notes. Though in time of panics these questions acquire undue importance, ordinarily a banker is not much affected by the laws of the currency. Whatever be the form of his liabilities, the bankers' chief concern should be to have enough and to spare to meet them, and he may well dispense with the right of issue, if he can always command the use of ample capital.

In transacting the various and important business connected with banking, in the discounting of bills, in the issuing of notes, where that privilege is maintained, in making advances, in the opening of credits, in regulating and equilibrating the price of money, in acting as intermediaries between the owners of capital and the seekers of the same, in interpreting the enigma of the foreign exchanges, and in weighing with adroitness and wisdom the economic condition of the nation, and the contingencies of political emergencies, what care, what judgment, what tact, are needed! What shrewdness, what method, what caution, in dealing with the numerous demands for help, for accommodation under every possible form, upon every possible excuse, and by the use of the most specious arguments! What power of coming to a prompt decision, and what an amount of common sense, may have to be exercised, in trying circumstances, in difficult times, especially of panics and general discredit! Nor must we

forget the absolute necessity that the directors of a bank should be men possessing extensive knowledge, men of the highest integrity and uprightness, and, above all, men in the enjoyment of the fullest confidence on the part of the entire community. Invaluable are fixed rules for the management of a bank. To set a limit to the amount of trust to be given to any customer, however eminent; to determine absolutely what proportions of reserve shall be kept, whatever the inconvenience, whatever the loss of business, whatever the temptation; to establish before hand what class of securities shall be received and what class shall be utterly rejected; to have laws which shall preclude the acceptance of any business which might conduce to the locking up of the resources of the bank in mines or any doubtful undertaking, and which shall compel the renouncing of any business not strictly of a banking character. Oh, what a benefit! It is good to have such rules well laid down, and better still to have them rigidly obeyed. But after all, there is always danger lest, whilst such rules are obeyed in the letter, they should be ignored or nullified in their spirit. It is indeed on the caution, probity, and high sense of honour not only of the directors of the bank, but of its managers, that the hope of good management must eventually rest. Be it a joint-stock bank, or a private bank, with liability limited or unlimited, with the most excellent rules or with no rules at all, any such consideration falls into utter insignificance as compared with the importance of the guarantee afforded by a directorate responsible, honourable, and unflinchingly honest in the discharge of their duties.

I fear that I have dealt with almost the first rudiments of the business of banking, but it has been my very design to keep within the range of ordinary duties and experience. The business of banking has made rapid strides in recent times. The banks in England, France, Germany, the United States, Italy, India, China, Japan, have in their hands the upholding of the credit system and the safe balancing of the exchanges all the world over; let them not abuse the power they wield. As banks of deposit, let the trust be held sacred; as banks of issue, let them be sparing and watchful for their responsibility; in making advances, let them be careful in circumscribing their limits; in discounting bills, let them be sure that they represent *bonâ fide* transactions of business. By so doing they will render incalculable services not only to the commercial world, but to the state itself and the great community of nations.

Banking and Commercial Law.

A RATHER curious point in the law of *donatio mortis causa* came before Sir Richard Malins in the case of *Rolls v. Pearce* (36 L. T. Rep. N. S. 438). This was a special case, in which it was stated that a testator, whilst travelling abroad, became seriously ill, and, being in that state, drew two cheques on his London bankers in favour of his wife or her order. She discounted the cheques, but before they were presented by the holders at the London bank the testator died. When they were presented the bankers refused payment on the ground that the drawer was dead. The widow consequently paid back the amount advanced to her upon the cheques, and made a claim to be paid the amount out of the testator's estate. In *Hewitt v. Kaye* (L. Rep. 6 Eq. 198), when a donor gave a cheque on his banker which was not presented before his death, it was held not to be a good *donatio mortis causa*. "I am of opinion," said Lord Romilly, "both upon principle and upon authority, that this is not a valid *donatio mortis causa*. When a man on his death-bed gives to another an instrument, such as a bond or promissory note, or an I O U, he gives a *chose in action*, and the delivery of the instrument confers upon the donee all the rights to the *chose in action* arising out of the instrument." His lordship pointed out that a cheque is nothing more than an order to obtain money; and that if the order is not acted upon in the lifetime of the person who gives it, it is worth nothing. There is a dictum of Lord Loughborough (in *Tate v. Hilbert*, 2 Ves. 118) in support of this view. "If she," observed his lordship, "had paid away the cheque either for valuable consideration or in discharging a debt of her own, it would have been good, or even if she had received it immediately after the death of the testator, before the banker was apprised of it, I am inclined to think no court could have taken it from her." Sir R. Malins, adopting this view, decided in favour of the widow's claim. Nothing seems to have turned upon the fact that she refunded the money to the discounters. Had she refused to do so, some difficult questions with reference to the rights and liability of the various parties might have arisen. To consider these points now would be superfluous. In the course of the case reference was made to the decision in *Lawson v. Lawson* (1 P. Wm. 441), where a bill on a goldsmith was held a good *donatio mortis causa*; and Sir R. Malins remarked that he could see no difference between drawing a bill on a goldsmith and drawing a cheque on a banker. It seems to us that the strong argument in support

of the decision in *Rolls v. Pearce* is, that it must be taken to have been intended that the cheques should be negotiated by discounting them, and that on the authority of the *dicta* already quoted the donation was good, inasmuch as the widow had "acted upon the order" in the lifetime of the donor.

CHEQUE—1—The plaintiff, in payment of bets on horse-races, gave the defendant three cheques on the plaintiff's bankers payable to bearer on demand, which were indorsed by the defendant to third persons, to whom they were paid by the plaintiff's bankers. In an action to recover back the sums so paid, the defendant sought to set off the amount of a cheque drawn by M., payable to bearer on demand, which was given by the defendant to the plaintiff in payment of a bet, and was cashed by him.—Held (1) that the word "bill" in the 5 & 6 Wm. IV., c. 41, ss. 1, 2, includes a cheque; that the payment of the cheques by the plaintiff's bankers—being a payment by his direction, on his account, and in discharge of his liability—was a payment by the drawer of the cheque to the indorsee thereof within the meaning of s. 2 of the above Act, and that, therefore, the plaintiff was entitled to recover; (2) that the plea of set-off could not be sustained, inasmuch as M., and not the defendant himself, paid the amount.—*Lynn v. Bell* (Ex.), 10 Ir. L. 487.

AMERICAN BANKING LAW.

SUPREME COURT OF THE UNITED STATES.

COLLINS, plaintiff in error, v. GILBERT ET AL.

In order to defeat the rights of a bona fide holder for value of a negotiable instrument, which it is claimed was procured by fraud, it must be shown that he had notice of the infirmity; proof of facts and circumstances attending the transfer to him, such as would put a reasonable man on inquiry, is not sufficient. Actual possession of a negotiable instrument payable to bearer, or indorsed in blank, is plenary evidence of title in the holder, but if it is shown that it was founded on fraud or was fraudulently obtained and put in circulation, the holder must prove that he paid value for it. A draft was duly made and accepted and delivered to C., who received it as security for the performance of a contract. C. transferred it, and it, before maturity, came into plaintiff's hands, as he claimed, for value. Held, that unless notice to plaintiff thereof could be shown, evidence of the circumstances attending the giving of the bill to C. could not be shown against plaintiff.

Error to the Circuit Court of the United States for the Western District of Pennsylvania. Action on a draft accepted by defendants.

Mr. Justice Clifford delivered the opinion of the court:—

Transferees of a negotiable instrument, such as a bill of exchange or promissory note payable subsequent to its date, hold the instrument clothed with the presumption that it was negotiated for value in the usual course of business at the time of its execution, and

without notice of any equities between the prior parties to the instrument.

Instruments of the kind are commercial paper in the strictest sense, and must ever be regarded as favoured instruments, as well on account of their negotiable quality as their universal convenience in mercantile affairs. They may be transferred by indorsement, or when indorsed in blank or made payable to bearer, they are transferable by mere delivery. *Goodman v. Harvey*, 4 Ad. and Ell. 870; *Goodman v. Simonds*, 20 How. 365; *Wheeler v. Guild*, 20 Pick. 551; *Noxon v. De Wolf*, 10 Gray, 346; *Mager v. Badger*, 34 N. Y. 249.

Possession of such an instrument payable to order or indorsed in blank is *prima facie* evidence that the holder is the proper owner and lawful possessor of the same, and nothing short of fraud, not even gross negligence, if unattended with *mala fides*, is sufficient to overcome the effect of that evidence or to invalidate the title of the holder supported by that presumption. Story on Bills (4th ed.), § 416; Byles on Bills (10th ed.), 119; Chitty on Bills (12th ed.), 257; *Mills v. Barber*, 1 Mees. and Wels. 425; *Murray v. Gardner*, 2 Wall. 120; *Bank v. Neal*, 22 How. 108.

Apply that rule in a suit in the name of the transferee against the maker, and it is clear that he has nothing to do in the opening of his case except to prove the signatures to the instrument and introduce the same in evidence, as the instrument goes to the jury clothed with the presumption that the plaintiff became the holder of the same for value at its date, in the usual course of business, without notice of anything to impeach his title. *Bank v. Leighton*, L. R., 2 Exch. 61; *Pettes v. Prout*, 3 Gray, 503; *Way v. Richardson*, id. 413.

Clothed as the instrument is with those presumptions the plaintiff is not bound to introduce any evidence to show that he gave value for the same until the other party has clearly proved that the consideration of the instrument was illegal, or that it was fraudulent in its inception, or that it had been lost or stolen before it came to the possession of the holder. *Uther v. Rich*, 10 Ad. and Ell. 784; *Barley v. Bidwell*, 13 Mees. and Wels. 73; *Arbouin v. Anderson*, 1 Ad. and Ell. (N.S.) 404; *Bank v. Fagan*, 7 Moore's P. C. 76; *Fitch v. Jones*, 5 Ell. and Bl. 238; *Smith v. Brains*, 16 Ad. and Ell. (N.S.) 251; *Hall v. Featherstone*, 3 Hurlst. and Norm. 286.

Sufficient appears to show that the drawers of the draft described in the declaration were sub-contractors to grade seven miles of a railroad referred to in the affidavit of defence, and that they were to be paid monthly for work done, subject to a certain deduction to be retained as a security for the completion of their contract, Moneys received from the monthly payments being insufficient for the purpose, they were unable to complete their undertaking without an advance from the principal contractor. What they wanted was an advance of \$8,000, and it appears that the contractor was willing to make it if they would give him the acceptance of the

defendant in the same amount, as a security that they would perform their contract. Pursuant to that arrangement they drew their draft upon the defendant in that amount, payable to the order of their senior partner, and the record shows that the draft was accepted by the defendant, and was duly indorsed by the payee.

Beyond doubt the draft was duly executed and delivered to the contractor as security for the performance of the contract of the drawers of the instrument. By its terms it was payable in ninety days from date, and it must be assumed in the absence of proof to the contrary, that the plaintiffs became the holders of the same before maturity.

Payment being refused, the plaintiffs instituted the present suit to recover the amount. Process was served, and the defendant appeared and pleaded that he never accepted the draft, and that he never promised in manner and form as alleged in the declaration. Subsequently the parties went to trial, and the verdict and judgment were for the plaintiffs. Exceptions were filed by the defendant, and he sued out the present writ of error.

Six offers of proof were made by the defendant in the course of the trial, all of which were excluded by the court, subject to the exception of the defendant. Four of the rulings of the court in that regard are now assigned for error, and they present the only matters of controversy exhibited in the record. Rulings of the kind, not assigned for error, may be dismissed without remark, nor would the other two exceptions have required much examination, even if they had been assigned for error, as they involve substantially the same questions as those presented by the other rulings of the court.

1. Testimony having been introduced by the defendant that one of the plaintiffs was informed, before the draft came into their hands, that the contractor had agreed to advance money to enable the sub-contractors to pay their employees, they, the sub-contractors, giving the defendant an acceptance as security in lieu of retained percentage, the defendant proposed to ask the witness what was the arrangement between the sub-contractors and the contractor by virtue of which the defendant's acceptance was obtained; to which the plaintiffs objected and the court excluded the question.

2. Evidence having been given by the same witness that there was an arrangement between the sub-contractors and the contractor, to the effect that the latter would advance money to the former to pay their men upon their giving to the contractor the defendant's acceptance to be retained by him in lieu of the stipulated percentage, the defendant proposed to show by the same witness that the work was finished by the defendant, and that by the terms of the contract all of the percentage retained became due and payable when the contract was completed; which offer of proof was objected to by the plaintiffs, and was ruled out by the court.

3. Complete execution of the draft is not denied, but the theory of the defendant is that the contractor took the same of the sub-

contractors in lieu of retained percentage, and he proposed to show that the sub-contractors subsequently abandoned their contract, and that the defendant, at the suggestion of the contractor, finished the same, he agreeing that if the defendant would complete the work, he, the contractor, would return the acceptance, and that the defendant never got either the percentage or the acceptance; to which the plaintiffs objected, and the court excluded the testimony.

4. Finally, the defendant proposed to show that the contractor, when the acceptance was delivered to him, was indebted to the sub-contractors for retained percentage in excess of the amount of the acceptance; which was also objected to by the plaintiffs, and was excluded by the court.

Properly analysed and construed it is quite obvious that these several offers of proof present but a single question, and that they serve to illustrate very fully the different theories of law maintained by the respective parties in respect of such commercial instruments. Throughout the trial the plaintiffs contended that they were the *bona fide* holders for value of the acceptance, having received the same before maturity in the usual course of business, and that they held a good title to the instrument unless the defendant could show that they had notice of such facts as were sufficient to impeach the title between the antecedent parties, or that the consideration of the instrument was illegal, or that it was fraudulent in its inception, or that it had been lost or stolen before it came to their possession. *Swift v. Tyson*, 16 Pet. 15.

Due delivery of the executed draft to the contractor indorsed in blank is admitted, but the theory of the defendant is that the contractor received it merely as security that the sub-contractors would perform their contract, and that the contractor caused it to be discounted without authority. Neither illegality of consideration or fraud in the inception of the instrument is charged or pretended, nor is it alleged that the acceptance had been lost or stolen before the plaintiffs received it for discount. Instead of that theory the defendant assumes that the contractor became the lawful holder of the acceptance indorsed in blank for the specified purpose, which is an implied admission that the acceptance was one of a class of commercial instruments which may be transferred by delivery.

Suppose that is so, still it is insisted by the defendant that evidence is admissible in such a case to show that the first holder under such circumstances appropriated the acceptance to a use other than that for which it was delivered to him, and that proof of such a misappropriation is sufficient to impeach the title of a subsequent holder for value, even though it came into his possession before maturity in the usual course of business.

Where the supposed defect or infirmity in the title of the instrument appears on its face at the time of the transfer, the question whether the party who took it had notice or not is in general a question of construction, and must be determined by the court as

matter of law. *Andrews v. Pond*, 13 Pet. 65; *Fowler v. Brantley*, 14 id. 818; *Brown v. Davis*, 3 Term, 86

But it is a very different matter when it is proposed to impeach the title of a holder for value by proof of any facts and circumstances outside of the instrument itself. He is then to be affected, if at all, by what has occurred between other parties, and he may well claim exemption from any consequences flowing from their acts, unless it be first shown that he had knowledge of such facts and circumstances at the time the transfer was made. Nothing less than proof of that character can meet the exigencies of such a defence, if it be true that a party who acquires commercial paper for value in the usual course of business may, if it was acquired before maturity and without notice of any defect in the title, hold it free of all equities between the antecedent parties to the instrument.

Indorsees of negotiable bills of exchange and promissory notes enjoyed the benefit of that rule for ages before any attempt was made to annex any qualification to it, unless it appeared that the consideration was illegal, or that the instrument was fraudulent in its inception, or that it had been lost or stolen before it came to the possession of the holder. *Hinton's Case*, 2 Show. 247; *Anonymous*, 1 Salk. 126; *Miller v. Race*, 1 Burr, 462; *Grant v. Vaughan*, 3 id. 1516; *Peacock v. Rhodes*, 2 Dougl. 683; *Lawson v. Weston*, 4 Eq. R. 56.

Attempt was subsequently made to qualify that right of a *bona fide* holder, and to establish the rule that if the indorser of the instrument had no valid title to the same, and that such facts and circumstances were known to the indorsee at the time of the transfer as would have caused a person of ordinary prudence to suspect that the indorser had no right to transfer the instrument, or to use the same for his own benefit, then the holder, as against the acceptor or maker, is not entitled to recover. *Gill v. Cubitt*, 3 Barn. and Cress. 466.

Though the modified rule was never satisfactory, yet it must be admitted that it was followed for a time in many jurisdictions. But it is unnecessary to discuss that topic, as the case referred to has been distinctly overruled in the tribunal where it was decided, and has not been considered an authority there for more than forty years. *Gooiman v. Harrey*, 4 Ad. & Ell. 870.

Abundant authority for that proposition is found in the cases already cited, and Mr. Chitty says that the old rule of law, that the holder of bills of exchange, indorsed in blank and transferable by delivery, can give a title which he does not possess to a person taking the same *bona fide* for value, is again re-established in its fullest extent. Chitty on Bills (12th ed.), 257.

Speaking upon that subject, the Supreme Court of Massachusetts said that it was once held that the holder of a bill of exchange or promissory note fraudulently put in circulation must show that he

had used due and reasonable caution in taking it, but the court proceeds to say that it has since been definitely adjudged that if he took the instrument in good faith he is entitled to recover on it, and that even gross negligence is not tantamount to fraud, though it may be given in evidence as tending to prove that charge, that the burden of proving good faith is all the burden which the law imposes on such a holder. *Worcester Bank v. Dorchester Bank*, 10 Cush. 491.

Conclusive support to that conclusion is found in the authorities which the court cite for that purpose, among which are the following: *Goodman v. Harvey*, 4 Ad. & Ell. 870; *Arbouin v. Anderson*, 1 Adol. & Ell. (N. S.) 504. We must hold, said Lord Denman in the case last cited, that the owner of a bill of exchange is entitled to recover upon it if he has come by it honestly, and that the fact implied *prima facie* by possession; that to meet the inference so raised fraud, felony, or some such matter must be proved. *Smith v. Sao County*, 11 Wall. 146.

Instruments of the kind are intended for circulation, and Shaw, Ch. J., says that the law is so framed to give confidence and security to those who receive them, for valuable consideration, in the ordinary course of business, when payable to bearer or indorsed in blank, so as to be transferable by delivery, and he adds, that, in general, a party taking such an instrument under such circumstances has only to look to the credit of the parties to it and the regularity and genuineness of the signatures and indorsements. So that, if such a bill or note be made without consideration, or be lost or stolen, and afterwards be negotiated for a valuable consideration, in the usual course of business, to one who has no knowledge of those facts, his title is good, and he shall be entitled to receive the amount. *Wheeler v. Guild*, 20 Pick. 350.

Title and possession in such a case are, in general, considered one and inseparable, and it will be presumed that a party thus in possession of such an instrument holds it for value until the contrary appears, and the burden of proof is on the party impeaching his title. *Collins v. Martin*, 1 Bos. & Pull. 648; *Bank v. Hoge*, 35 N. Y. 68; *Phelan v. Moss*, 67 Penn. St. 63; *Raphael v. Bank*, 17 C. B.; 171.

In order to defeat the rights of a *bona fide* holder for value of a promissory note, which it is claimed was procured by fraud, it must be shown either directly or by circumstances that he had notice of such infirmity.

Proof of such facts and circumstances as would have put a reasonable man upon inquiry in relation thereto are not sufficient to constitute a defence to a suit by the holder. *Lake v. Reed*, 29 Iowa, 359; *Gage v. Sharp*, 24 id. 15.

Adjudged cases to support those propositions are very numerous, and it is equally well settled that where a negotiable bill or note is given in evidence duly indorsed, the legal presumption is that such

indorsement was made at the date of the instrument, or at least antecedently to its becoming due; and the rule is that if the defendant would avail himself of any defence not open to him, unless the bill or note was negotiated after it was dishonoured, it is incumbent on him to show that the indorsement was in fact made after the instrument was overdue. *Ranger v. Cary*, 1 Metc. 373; *Noxon v. De Wolf*, 10 Gray, 347.

Actual possession of a negotiable instrument, payable to bearer or indorsed in blank, is plenary evidence of title in the holder "until other evidence is produced to control it," but if to an action on the same "the defendant pleads that it was illegal in its inception, and that the plaintiff took it without value, the illegality being proved, the onus is cast upon the plaintiff to prove that he gave value." *Smith v. Braine*, 16 Ad. & Ell. (N.S.) 250; *Bailey v. Bidwell*, 13 Mees. & Wels. 73.

Proof of gross negligence is not sufficient to overcome the *prima facie* presumption of title arising from possession, but if it be alleged and proved that the instrument had its inception in illegality or fraud, a presumption arises from that proof that the plaintiff took it without value, or, in other words, it so far shifts the burden of proof that, unless the plaintiff gives satisfactory evidence that he gave value for the same, the defence will prevail. *Fitch v. Jones*, 5 Ell. & Bl. 246; *Harvey v. Towers*, 6 Hurlst. & Gordon, 660.

Where there are circumstances in the nature of fraud or illegality which can properly be left to the jury, proof of those circumstances by the defendant will cast on the plaintiff the onus of showing that he gave value for the bill or note. *Hall v. Fetherstone*, 3 Hurlst. & Norm. 287; *Mills v. Barber*, 1 Mees. & Wels. 432.

Negotiable instruments are expressed to be for value, and if payable to bearer or indorsed in blank, they pass by delivery from hand to hand, clothed with that presumption; nor is that presumption overcome where the suit is in the name of a subsequent holder, by proof that the indorsement was for the accommodation of the maker.

If it appears that the bill or note was obtained by fraud, or that it had been stolen before it came to the possession of the holder, then the presumption may arise that the holder did not pay full consideration for it, because, in such a case, it is probable that the person obtaining the instrument would pass it away for less than its full value. But where there is only the simple fact that it was an accommodation bill or note, then the inference is that the holder did give value for it, because that was the very object for which the instrument was given. *Percival v. Frampton*, 2 Crompt., Mees. & Rosc. 183; *Seybel v. Bank*, 54 N. Y. 291.

Decided cases almost without number support that proposition, but, if the note or bill is founded in fraud, or was fraudulently obtained and put in circulation, the indorsee must prove that he paid value for it before he can recover the amount. *Tucker v. Morrill*,

1 Allen, 528; *Maither v. Maidstone*, 1 O. B. (N.S.) 287; *Sisternans v. Field*, 9 Gray, 337; *Brush v. Scribner*, 11 Conn. 390.

Tested by these several considerations, it is clear that there is no error in the record.

Judgment affirmed.

TESTIMONIAL TO THE HON. A. LESLIE MELVILLE.

THE proceedings at the annual dinner of the English Country Bankers' Association, at the Westminster Palace Hotel, on the 5th June, will be of interest to our readers, as it was the occasion of presenting a very handsome testimonial to the Hon. A. Leslie Melville, head partner of the firm of Smith, Ellison and Co., bankers, of Lincoln, on his retirement from the presidency of the association, after filling that important post upwards of thirty years. The testimonial, which consisted of the portrait of the Hon. A. L. Melville, by Mr. E. U. Eddis, R.A., and a rich service of plate, was subscribed for by 170 private and joint stock banks, the representatives of many of these being present at the banquet.

The chair was occupied by W. Beckett Denison, Esq., M.P.; W. P. Price, Esq. (Gloucestershire Banking Company), and Thomas Cooke, Esq. (Manchester and Liverpool District Bank), being the vice-chairmen. Mr. Melville sat on the right hand of the chairman, and the Earl of Leven and Melville on his left, supported by the following gentlemen:—H. Chaplin, Esq., M.P.; Mr. Eddis, Mr. Palmer (Governor of the Bank of England), Mr. Duncan (National Bank of Scotland), Mr. E. Backhouse, M.P., Darlington; Mr. W. Hamilton Orake (London and Westminster Bank), Mr. Allden (Woods and Co., Newcastle-on-Tyne), Mr. Alexander (Alexanders, Maw and Co., Ipswich); Mr. E. Atkinson (National Provincial Bank of England), Mr. H. Atkinson, jun. (Hull Banking Company), Mr. J. H. Barber (Sheffield Banking Company), Mr. Barney (Birmingham, Dudley and District Banking Company), Mr. Biddulph (Williams and Company, Chester), Mr. Blandy (Stephens, Blandy and Company), Mr. Bower (East Riding Bank, Malton), Mr. Brown (Sheffield Union Bank), Mr. Brown (Burton and Uttoxeter Banking Company), Mr. Clayton (Bradford Banking Company), Mr. Clemow (North Western Bank), Mr. T. C. Cobbold, M.P., Ipswich; Mr. Clutton (Adelphi Bank, Liverpool), Mr. Dodsworth (York Union Bank), Mr. Dun (Parr's Banking Company), Mr. Eland, Thrapstone; Mr. Evans (J. and J. C. Wright and Company), Mr. H. G. Fane (Beckett and Company, Retford), Mr. Fenwick (Lambton and Company), Mr. J. Hanbury Field (National Provincial Bank of England), Mr. Fisher (Midland Banking Company), Mr. A. Gillett, Banbury; Mr. W. B. Gordon (Cumberland Union), Mr. Green, Colchester; Mr. G. Harding, Burlington; Mr. Hill (Bradford Commercial Bank), Mr.

Hutchinson (Pares' Leicestershire Banking Company), Mr. Jarvis, Lynn; Mr. Kempson (Northamptonshire Banking Company), Mr. Knight, Farnham; Mr. Lawford (Leicestershire Banking Company); Sir James Meek (York City and County Bank, York), Mr. A. S. L. Melville and Mr. A. H. L. Melville (Smith, Ellison and Co., Lincoln), Mr. Page (Lincoln and Lindsey Banking Company), Mr. Paget, Leicester; Mr. P. Phipps, M.P. (Northamptonshire Banking Company), Mr. Inglis Palgrave (Gurney's Bank), Mr. Rae (North and South Wales Bank), Mr. Richards (Richards and Co., Llangollen), Mr. Robinson (Lincoln Bank), Mr. Rothwell (Halifax Joint Stock Bank), Mr. Rushton (Hardcastle, Cross and Co.), Mr. Simonds (Simonds and Co., Reading), Mr. Dudley R. Smith (S. Smith and Co., Hull), Mr. F. C. Smith, M.P. (S. Smith and Co., Nottingham), Mr. Thomas (Stourbridge and Kidderminster Bank), Mr. Geldart (Veasey's Bank, Huntingdon), Mr. Tweedy (Tweedy, Williams and Co.), Mr. W. Wakefield, Kendal; Mr. Wheeler (Wheeler and Co., High Wycombe), Mr. A. Williams (Williams and Co., Dorchester), Mr. Wilson (Liverpool Union Bank), Mr. Woodhouse (Sparrow, Tufnell and Co., Essex), Mr. Jervoise Smith, Mr. W. A. Bevan, Mr. Winterbotham, Mr. C. F. Fane (Child and Co.), Mr. Brown Douglas, Mr. Readman (Clydesdale Bank, Glasgow), Mr. W. K. Mackenzie (Commercial Bank of Scotland, Edinburgh).

After the loyal and patriotic toasts had been duly honoured,

The Chairman introduced the toast of the evening, "The Hon. Alexander Leslie Melville," which was received with loud cheering from all parts of the room. Mr. Denison remarked that he felt himself honoured in presiding on such an occasion to assist in expressing the esteem in which Mr. Melville was held by those who had had so many opportunities of admiring the integrity of his character, his zeal in promoting the interests of their association, and his usefulness in many ways in removing obstacles and securing advantages which affected not bankers only, but the general community. (Cheers.) Mr. Melville had been their president for more than a quarter of a century, and during the whole of that time had given unremitting attention in not only sustaining but increasing the influence and usefulness of the Country Bankers' Association. It was ten or twelve years since he became connected with the association and with Mr. Melville, who then presided efficiently, and had continued to exert himself—following the course which he felt to be right—in improving the condition of the banking community and securing for the public advantages which were necessarily allied with their own. During that time—that long time—differences of opinion had arisen, as they ever must arise, when matters of moment, and in which so many were interested, were being discussed. He had felt it his duty—a duty which at the time he felt to be almost painful—to differ from their president on certain matters, but if difficulties arose there were corresponding

advantages, for differences of opinion—opposition—had contributed powerfully to the greatness of the country. (Loud cheers.) Under Mr. Melville's auspices proposals had been withdrawn the tendency of which were inimical to their interests, and changes had been effected beneficial, he might say, to everybody. As long ago as 1843-4 Mr. Melville fought for the country bankers, and won an improved position for them and esteem for himself. (Cheers.) He had pursued a course which was right, and straight, and true, and had followed the path of duty unswervingly, and although he had encountered opposition he had never given cause for the expression of one unkindly word, but on the contrary had commanded the esteem which they were then endeavouring to express. How great was that esteem might be gathered from the fact that at very short notice—so short that many were summoned by telegraph—he believed that one third of the country bankers of England had assembled; also representatives of several Scotch banks, the Governor of the Bank of England, and others whom he could not name. Nothing was more gratifying to him than the response that had been made to his invitation, and the many real sympathetic letters he had received from those who were unable to be with them that evening. It now only remained to ask Mr. Melville's acceptance of the excellent portrait which had been so quickly prepared by Mr. Eddis, than which one more faithful could not have been produced—(cheers—and also of the service of gold plate, as a substantial memento of their gratitude; and in the name of all assembled he would wish Mr. Melville health, long life, and happiness, and express a hope that, as he had aided them in the past, he would honour them in the future with his presence at their meetings. (Prolonged cheering, amidst which the toast was drunk with all the honours.)

Mr. Melville, on rising to respond, was greeted with almost deafening cheers. He said: Mr. Chairman, Lord Leven and gentlemen, —There are times when it is difficult for one to express one's feelings, and this I have never felt more forcibly than I do to-night. Such honours have been heaped upon me that I feel great difficulty in responding to the toast which has been so eloquently proposed by our chairman. I have been looking back to old times to endeavour to find some reason for the extreme kindness which has been extended towards me, and the great honour of which I am made the recipient. One of the first questions in which, perhaps, I may have been of some use, was in opposing the measure introduced by Sir Robert Peel, which would have greatly curtailed the privilege of the banks, and restricted the amount of circulation. Various attempts had been made to induce him to modify his proposals. The short system of averages which he projected I felt was not only unfair, but impracticable. I studied the matter as well as I was able, and feeling that I was right I was not disposed to give way, so prepared my case, and demonstrated by figures, which I felt could not be

controverted, and submitted them to Lord Worsley, who was then member of Parliament for the Parts of Lindsey. Lord Worsley, quick to perceive the justice of my case, at once offered to present my petition and support it. This he did successfully, and the result was that a more equitable system of averages was adopted, and the circulation was increased—advantages which have been shared by the banking profession and the public. Lord Worsley's aid was most valuable at that period, and I feel that if I require further assistance of the same nature I can turn to my friend near me (Mr. Chaplin), and I am sure I shall not turn to him in vain. (Cheers.) I mention this fact (not desiring to be egotistical), but as a circumstance of the past which immediately preceded my appointment as chairman of this influential association. In discharging my duties I can only say that I have endeavoured to act with justice and impartiality to all. (Cheers.) I have made no difference between private and joint stock banks, but have simply sought to go straight and do what I conceived to be right. (Cheers.) Coming now to later times, a system of country clearing was invented by a banker of Banbury. His proposition was too abstruse and intricate for general adoption, and mainly through the instrumentality of Sir John Lubbock and Mr. Jervoise Smith it was superseded by the present excellent system which prevails as to the clearing of cheques. To this great measure our present chairman and others gave vigorous support. When a case was tried Chief Justice Erle gave it in our favour, and the present most valuable mode of clearing became established. (Cheers.) Next came the Scotch bankers' question and the Scotch irruption into Cumberland, which I hope will end there. (Laughter.) And now I am happy in experiencing the combination of all who have assembled to do me this great honour. I wish to say one word about the portrait. Mr. Richmond was first selected as the artist, but in consequence of his engagements he said he could not complete it in the time specified. It then occurred to me that as Mr. Eddis had been so successful in painting the portrait of the former Lord Yarborough—the Lord Worsley to whom I have referred—he might undertake the present work. His name was mentioned to Mr. Richmond, who replied, "You cannot select a better man." Well, Mr. Eddis has done his work, and I think has done it well—at any rate everybody says that Mr. Richmond was right—we could not have chosen a "better man." (Loud cheers.) And now, gentlemen, it remains for me to accept these splendid tokens of your esteem—this portrait and plate, I shall look upon them and think of my long connection with this association and the kindness of all its members; I shall esteem your gifts as amongst my most cherished possessions, and they will remain as heirlooms in my family from generation to generation. Two of my sons have been trained as bankers, and are now in this room, and they will, equally with myself, regard these substantial expressions of your esteem as precious gifts to be well taken care of. I thank you, gentlemen, from my

heart for your extreme kindness, and the great honour you have showered upon me. (Great cheering, amidst which Mr. Melville resumed his seat.)

Mr. Chaplin, M.P., responded for "The Houses of Parliament."

The toasts of "The London," "the Scotch," and "the Country Bankers," were adequately responded to. After sundry toasts of a complimentary nature the meeting came to a close.

THE IMPERIAL BANK OF GERMANY.

[Marks converted as 20 = £1 in this statement.]

WE take the following statement of the working of the Reichs-Bank in the year 1876, from a German paper.

The Reichs-Bank has completed its first year of business. The shareholders received 6½ per cent. The new shares were placed at the price of 130. The clamour that a disproportionate rate of profit had been offered to the private capital, which was admitted to share in the profits of the Reichs-Bank, in consequence of the operation of the Bank Law, must now be silenced. The profits of the Prussian Bank in 1875 were 15½ per cent., or rather when the extraordinary circumstances which led to this result are taken into consideration, 12½ per cent. The dividend in the year 1874 reached the same amount. The explanation of the reasons why the Reichs-Bank is now only able to pay the half of the former dividend, is at the same time the explanation of the alterations which were partly caused by the events of the year 1876 itself, and partly by the new regulations and laws. The public at large will hardly perceive these reasons from the statements of the board of the bank, respecting which extremely ungrounded estimates have been made. The Reichs-Bank has, in the first place, earned less profit than the Prussian Bank; in the second place, its expenses have been greater; and in the third place, it has divided its profit on a different basis. Notwithstanding an increase of forty-three in the number of the branches of the bank in connection with the extension of the empire, the bank only had on an average £1,800,000 more placed in bills in 1876 than in 1875. This shows an increase on this branch of the business, producing in this most important point an increase in the power of earning profit of something like 10 per cent. The average of Lombard advances has diminished about £175,000, or about 7 per cent. The profit of the bank on bills has been £50,000 less than in 1875, and on the Lombard advances £20,000 less than in 1875, which is the result of the lower rate of interest. The rates of discount and on Lombard advances were on an average 0.55 per cent. lower in 1876 than in 1875. In the middle of the year the bank found it necessary to lower the rate of discount below 4 per cent., a thing which had never occurred before. The rate of discount of the year averaged 4.16 per cent. But while the bank could only advance money at a low rate, the money itself cost it a high price. In consequence of the alteration in the law of guardianship in Prussia, there were left with the bank in deposits, on which it had to pay only on an average 2.58 per cent., an average of £2,250,000 less than in 1876. At the same time, the reserve fund employed, on which no interest is charged, is now, according to the new law, diminished about £250,000. It is certainly permitted to the Reichs-Bank to issue notes, uncovered by specie, duty free, to the

amount of £12,500,000, not including the contingent of notes taken over from the lesser private banks, which have meanwhile, been withdrawn from circulation. But in 1876 the uncovered notes amounted to an average of only £8,650,000. The year before they averaged £10,000,000. The Reichs-Bank has therefore had £1,350,000 less of this inexpensive capital to work with. These disadvantageous times would have diminished the profits of the Reichs-Bank still further if, on the other hand, new sources of cheaper capital had not opened themselves to it; in the first place, through taking over the business of the exchequer of the empire and of the individual states which are affiliated with it, and further, which is the more important, through the establishment of the new clearing-house business. The business done by the exchequer of the empire and of the separate states amounted to £50,000,000; the balances to the credit of these exchequers amounted, at the close of the year, to £1,850,000. In this statement the average balances to the credit of these accounts are not included. The bank has no interest to pay on these balances, but, on the other hand, it has to provide both for the receipts and repayments without charge. The same applies to the recently-established clearing-house business. The balances to the credit of this account amounts, on an average, to £3,550,000. The balances to the credit of these accounts have, in some measure, compensated the bank for that part of its capital which had been withdrawn through the causes which have been mentioned above.

The remaining part of this amount which has been substituted, and the power, as has been mentioned, of providing the extended investment up to £1,800,000 in bills, have followed on the doubling of the share capital thus increased by £3,000,000. Beyond question, the doubled capital has also to share in the division of the dividends. The bank had to pay no interest for the balances connected with the clearing business, which as mentioned before, averaged £3,550,000; but it had in consequence the responsibility of the book-keeping and counter work connected with a turn over of £850,000,000; that is to say, 240 times this amount, without making a charge for it. The result of this has been that the totals of the transactions of the bank were doubled. Under these circumstances, and bearing in mind also the increase in number of the offices of the bank, the increase in the expenses of administration to £46,890, or, after deducting the expenses of establishing the business to £32,835, which is something like 15 per cent. additional, when compared with the previous year, seems reasonable enough. The future of the Reichs-Bank is bound up with the extension of the clearing business. Still the amounts of cash dealt with amount to more than a third of these transactions.

The general results of this particular business which was not established till the 10th of April of last year, will cause it to become more preponderating through the natural transfer of transactions to it.

As, however, the balances on the clearing amount belong, exactly like the liabilities on notes, to that class of obligations which have to be met on the day, the expansion of the clearing business will be followed in the future by a further diminution of the unsecured note circulation.

It is as well to mention that at the end of 1876 the balance on the clearing account had already reached £4,600,000. These facts, as well as the progressive diminution of the deposits without interest, in consequence of the more recently enacted Prussian Law, and also the continuance of the low rate of interest which we hope for, 4 per cent. at the highest, show that on the other hand the time approaches when the dividends of the Reichs-Bank may for the future remain at a moderate level, notwithstanding the expansion of the clearing business.

The new state housekeeper has provided for the current year a dividend of only 5½ per cent. for the shareholders, after allowing for the profit belonging to the State. This appears unfair in so far as the outlay of the current year of the expenses of establishing the business, for preparing the new bank notes, for satisfying the claims of the private banks, which have been a charge on the past year of £50,000, are expenses which in the main will not recur again.

Reports of Joint Stock Banks.

ANGLO-AUSTRIAN BANK.

ABSTRACT of the report of the directors presented to the general meeting in Vienna on the 14th day of May, 1877.

The directors have to report the following as regards the business of the bank during the year 1876:—The negotiations with the Kronprinz Rudolf Bahn have been successfully terminated during the present year; the bank has received an amount as compensation which will be accounted for in the next balance sheet. The adjustment of the bank's claims in connection with the Turkish railway business was made last year; in connection with this settlement the bank acquired a large number of its own shares on favourable terms. The increase in the amount represented by coal mines arises from the bank having taken over the share of a participant firm which had failed, in order to avoid legal complications. The smelting houses, together with the land they stand upon and a number of pits in the Falkenau district, have been disposed of this year. The participations of the bank in the Donau Drau Railway, the Pilsen Priesen (Komotan) Railway, and the Vienna Credit Bank, have not altered to any extent during the past year. The bank's share in the lottery loan to the City of Vienna amounted to about 2,062,000 fl.; up to the end of the year 1876 the syndicate for this loan disposed of nearly one-third of the whole. The syndicate for the Süddeutsche Immobilien Bank has been dissolved, the shares have been sold, and the loss arising from the same figures in the balance sheet. The syndicate for the Salzkammergut Railway Bonds has been dissolved during 1877; part of the profit realised was included in last year's accounts, and the balance will be credited in the present year. The bank participated in the advance of 25,000,000 fl. to the Austrian Government for 2,000,000 fl., and the greater part of the same has been already disposed of. Considerable sums have been written off in reference to some operations entered into before the year 1873, amongst others the participation of the bank in the Hungarian Nord West Railway, a loan operation by the London establishment, the Vienna Relief Committee, and the failure of a firm in Brinn. The amount of real estate held by the bank has been increased by nearly 400,000 fl. by the necessity of taking over some house property in settlement of claims. The Wechselhaus of the bank has given fair results. The current business of the bank shows a reduction as compared with the previous year. The reduction in the expenses of the bank was, during the past year, 75,000 fl., making, with that effected during 1875, a saving as compared with the year 1874, of 155,000 fl.; further reductions have been made both in Vienna and in London, the effects of which will be seen in the accounts for 1877. The losses on securities held by the bank have been mainly occasioned by the depreciation of the bonds of the Kronprinz Rudolf Bahn and the shares of the Vienna Hotel Company. The amount invested in securities has been greatly reduced since the last report; some of these securities have been disposed of profitably during the present year. The directors have written off considerable amounts from some of the debtors' accounts, owing to the depreciation of the securities by which they were originally fully covered. In accordance with the resolution adopted at the last general meeting the directors have bought 18,000 shares. The bank received,

in connection with the settlement of the Turkish business, a further number of 18,000 shares, and the directors bought 4,000 to make the total number purchased 40,000 shares. By this operation the bank's liabilities on capital account are reduced. The profit and loss account for the year 1876 shows a profit of 22,745.37 fl. which it is proposed should be carried forward to the new account. The directors make the following propositions:—*firstly*, to cancel the 40,000 shares and to reduce the capital of the bank to 18,000,000 fl. by the purchase of 10,000 shares more; *secondly*, to take from the ordinary reserve fund of 1,281,015.06 the sum of 781,015.06 to form a special reserve fund; *thirdly*, to place the profit arising out of the purchase of the 10,000 shares to this special reserve fund. The special reserve fund is formed for the purpose of meeting any possible losses arising out of the sale of the coal mines and out of the not yet liquidated syndicates, without trenching upon the ordinary reserve fund of 500,000 fl. The directors have to notify with great regret the resignation of their much valued colleague, Count Eugene Kinsky, whose connection with the bank dates from its commencement, and who for many years was its president; also of Mr. Albert Warburg, who for some years was a member of the English and Austrian boards. The directors have elected his Excellency Count August Bellegarde president of the general council in the place of Count Kinsky. The second vacant seat at the Austrian board has been filled by the election of Mr. Guido Elbogen. The directors, in conclusion, deeply regret to have report the death, on the 5th May, of their esteemed colleague, Dr. Josef Weissel, who had been one of the directors of the bank almost from its establishment.

The following resolutions were adopted at the general meeting:—Resolved that the report be adopted; that the balance of profit, 22,745.37 fl. be carried forward to the new account. Resolved that the 40,000 shares be cancelled, and that the capital of the bank be reduced to 18,000,000 fl. by the purchase of 10,000 shares more. Resolved that the sum of 781,015.06 be taken from the ordinary reserve fund to form a special reserve fund, and that the profit arising out of the purchase of the 10,000 shares be placed to this special reserve fund. Resolved that Mr. B. W. Currie and Mr. L. M. Rate be re-elected members of the London Committee, and that his Excellency Count August Bellegarde and Mr. Rafael de Mayer be re-elected, and Mr. Guido Elbogen be elected a member of the Austrian Committee.

Balance-sheet, December 31st, 1876.

<i>Dr.</i>	ASSETS.	<i>Florins.</i>
Cash in hand		2,232,302.33
Securities in hand—bills receivable, 4,831,497.98 fl.; advances against securities and goods, 1,120,865.56 fl.; stocks, shares, and sundry investments, 3,387,418.38 fl.		9,339,781.92
Coal mines		2,063,294.65
Bank premises, office furniture, house property, &c.		1,922,247.23
Amounts due in London upon advances against securities and acceptances on account of credits to Austrian firms, &c.		1,611,960.93
Sundry debtors,* as per note at foot		21,458,650.45
		38,628,237.51

	<i>Florins.</i>
* Viz., payments on account of syndicate participations	5,555,447.66
Vienna relief committee and sundries	263,118.18
Dotation of the exchange office of the bank	1,418,332.92
Amounts due on acceptances, secured by bills, &c., and sundry debtors	12,236,752.69
Advance to the Austrian Government	2,000,000.00
	21,458,650.45

Cr.	LIABILITIES.	Florins.
bare capital —200,000 shares with 120 florins per share paid up, 24,000,000 fl.; less 40,000 shares with 120 florins per share paid up acquired as per report, 4,800,000 fl.		
Reserve fund.. ..		19,200,000.00
Bills payable		1,281,015.06
Deposit notes in circulation		9,476,279.05
Amount of dividends unpaid.. ..		1,045,300.00
Sundry creditors, on current and other accounts		13,299.88
Balance, profit.. ..		7,589,598.15
		22,745.37
		38,628,237.51

Dr.	Profit and Loss Account.	Florins.
Office expenses in Vienna and London, including rent, stamps, stationery, postage, law charges, advertisements, printing, insurance, brokerage, stamps on cheques and deposit notes, travelling expenses		
Salaries of managers and clerks, remuneration of directors, and of the executive committee		116,422.35
Government duty and taxes		377,229.88
Losses on securities, &c., &c.		18,190.49
Depreciation of furniture		629,326.68
Losses in accounts current and in advances on securities.. ..		6,971.01
Losses in syndicates, &c., &c., and in Vienna relief committee participation.. ..		1,221,587.47
Balance, profit.. ..		1,005,783.11
		22,745.37
		3,398,256.36

Cr.	Florins.
Profit from interest and discount operations, &c. 979,947.88 fl.; less interest allowed on deposit notes, 65,313.56 fl.	
Commission account and sundry profits	914,634.32
Dividend of 1870 forfeited as per statutes	844,595.77
Profit and shares acquired:—40,000 shares with florins 120 per share paid up, 4,800,000 fl.; cost of acquisition, 3,162,051.91 fl. ..	1,078.18
	1,637,948.09
	3,398,256.36

BANK OF BRITISH NORTH AMERICA.

REPORT of the directors presented to the proprietors at their forty-first yearly general meeting, June 5th, 1877.

With reference to the circular letter issued by order of the court of directors to the proprietors, on the 20th April last, together with a balance sheet and a statement of profit and loss account, as on the 30th December, 1876, the directors have now to report the declaration of a dividend in respect of the half-year ending 30th June, at the rate of 5 per cent. per annum, amounting to twenty-five shillings per share, payable, free of income-tax, on the 5th July next, for which warrants will be remitted to the proprietors as usual. The unsatisfactory state of trade in Canada and in the United States is too well known to require comment. The harvest also in Canada last year was much below the average, and this has had its usual prejudicial effect upon business, but, as there has this season been a very favourable seed time and a greater extent of tillage, the directors are glad to believe that there is a prospect of better crops this year. There are also some indications of improvement in business.

*Bank of New Zealand.**Balance Sheet, 30th December, 1876.*

<i>Dr.</i>	<i>LIABILITIES.</i>		
Capital		£1,000,000	0 0
Circulation		243,913	17 2
Deposits		1,527,190	13 7
Bills payable and other liabilities		1,179,888	19 11
Reserve for Christmas dividend		30,000	0 0
Undivided net profit		211,773	3 2
		£4,192,766	13 10

<i>Cr.</i>	<i>ASSETS.</i>		
Specie and cash at bankers		£684,894	4 6
Bills receivable and other securities		3,441,372	9 4
Bank premises		66,600	0 0
		£4,192,766	13 10

<i>Dr.</i>	<i>Profit and Loss Account to 30th December, 1876.</i>		
Dividends declared as follows:—dividend at Midsummer, 1876, payable July, 1876, £40,000; dividend at Christmas, 1876, payable January, 1877, £30,000		£70,000	0 0
Balance in hand, being undivided net profit to 30th December, 1876		211,773	3 2
		£281,773	3 2

<i>Cr.</i>			
Balance of undivided net profit to 31st December, 1876 ..	£231,626	1 4	
Net profit for the year 1876, after deduction of all current charges and income-tax, and providing for bad and doubtful debts	50,147	1 10	
	£281,773	3 2	

BANK OF NEW ZEALAND.

THE thirty-first half-yearly general meeting of the above bank was held at the head office, Queen Street, Auckland, on 26th April last, Dr. J. L. Campbell in the chair. The minutes of the last half-yearly general meeting were read and confirmed. The acting manager (Mr. Murray) read the half-yearly report and balance-sheet as follows:

Thirty-first report of the directors of the Bank of New Zealand, to the half-yearly general meeting of the proprietors, held at the Banking-house, Auckland, on Thursday, 26th April, 1877.

"The directors have pleasure in meeting shareholders with a statement of the half-year's operations, showing results which will no doubt be regarded as satisfactory.

The net profit at 31st March, after making ample provision for every debt considered bad or doubtful, and for reduction of bank premises and furniture accounts, amounts to £61,687 9 0
To which has to be added—

The amount received as premium on shares issued to the shareholders of the Fiji Banking Company 17,600 0 0
Balance of undivided profit at 30th September last 8,634 19 11

Making a total available for division of £87,922 8 11

The following appropriation of which is now recommended—
Payment of dividend at the rate of 10 per

cent. per annum	£36,250	0	0	
Bonus of 6s. per share	18,125	0	0	
Total for division	£54,375	0	0	
Addition to reserve fund	25,000	0	0	
Balance carried to next half-year	8,447	8	11	
		£87,822	8	11
The bank's capital now stands at.. .. .	£725,000	0	0	
Reserve fund	275,000	0	0	
Total	£1,000,000	0	0	

The dividend and bonus will be payable at the head office, Auckland, on Monday, the 30th April, and at the branches on receipt of advice.

For the board of directors,

J. LOGAN CAMPBELL, President.

Aggregate Balance-sheet of the Bank of New Zealand, at March 31st, 1877, including London office, at January 31st, 1877.

Dr.

Bank stock	£725,000	0	0
Reserve fund	250,000	0	0
Notes in circulation	442,804	0	0
Bills payable in circulation	1,957,504	15	10
Deposits and other liabilities	5,339,527	18	6
Balance of profit and loss, 30th September, 1876	8,634	19	11
Net profit for half-year, £61,687 9s. ; premium on new shares, £17,500	79,187	9	0
	£8,802,659	3	3

Cr.

Coin and cash balances	£970,700	3	9
Bullion on hand and in transitu	476,017	9	0
Government securities	386,467	1	0
Landed property, bank premises, furniture, &c.	123,735	19	8
Bills receivable, and securities in London	2,234,457	9	9
Bills discounted and other debts due to the bank	4,611,281	0	1
	£8,802,659	3	3

Dr.

Profit and Loss Account.

Dividend at the rate of 10 per cent. per annum	£36,250	0	0
Bonus at 6s. per share	18,125	0	0
Proposed increase to reserve fund	25,000	0	0
Balance carried to profit and loss "new account"	8,447	8	11
	£87,822	8	11

Cr.

Balance of profit and loss at 31st March, 1877	£61,687	9	0
Premium on new shares	17,500	0	0
Balance from last half-year	8,634	19	11
	£87,822	8	11

Dr.		RESERVE FUND.							
Balance	..	..	..	..	..	..	..	..	\$275,000 0 0
									\$275,000 0 0
Cr.									
Balance from last statement	..	..	..	..	..	..	..	..	\$250,000 0 0
Proposed addition	..	..	..	..	..	..	..	..	25,000 0 0
									\$275,000 0 0

A. K. TAYLOR and C. J. STONE, Auditors.

The Chairman, in moving the adoption of the report, said:—Gentlemen, I think I may safely conclude that the report now placed in your hands is of such a satisfactory character that its adoption will be approved by you without any comments from the chair. It must be a cause of gratification to shareholders to see from the report that the half-year's operations have not only enabled the customary dividend and bonus to be paid, but also to have placed an additional £25,000 to the reserve fund, of which you will note that £7,500 has been supplied from ordinary current profits, the larger amount (£17,500) from the premium received on shares issued, as stated in the report. The business of the bank continues to make satisfactory progress, and, although there is a considerable diminution in Government deposits, this is more than supplied by the increase in ordinary resources, the total assets and liabilities, respectively, being now £8,800,000, as against £7,700,000 at last half-yearly balance. The Government, with a view to strengthening its financial position, and, in accordance with our advice, lately availed itself, to some extent, of the abnormal state of the Sydney money market, to effect a temporary loan there. This operation, while it has had the effect anticipated, has usefully supplemented the support which, as their bankers, we have not hesitated to give the Government. Shareholders will be gratified that I am able to state, that while this support is on a scale which the Government has been pleased to characterise as liberal, it does not involve any commitment which is not well within the resources of the bank. The rupture in bank agreements as to rates of business, which has occurred in Australia, has not, as yet, extended to New Zealand, partly, perhaps, because the margin of profit has been smaller here than it was in some of the Australian colonies. Our large business enables us to be content with the profits which the present margin affords, and we have, in the interest of our constituents, been opposed to the raising rates of discount, and should anything occur to bring the agreement in New Zealand to an end, we have no doubt as to our ability to meet any competition which may ensue without damage to our position or material effect upon our profits. I beg to move the adoption of the report and balance-sheet.

Mr. James Watt seconded the motion for the adoption of the report, which was carried *nem. con.*

Mr. J. T. Thompson (Surveyor-General) moved a vote of thanks to the directors and officers of the bank.

Dr. Ellis seconded the motion, which was carried unanimously.

The Chairman returned thanks on behalf of the board of directors.

Mr. Murray returned thanks on behalf of the staff.

This concluded the business.

BANK OF VICTORIA (AUSTRALIA).

Report of the directors presented to the proprietors at the half-yearly general meeting, held at Melbourne, 6th February, 1877.

The board of management beg leave to submit their forty-eighth half-yearly report to the proprietors of the bank stock, together with the balance-sheet for the same period, duly certified by the auditors. Balance of undivided profits from 30th June, 1876, £10,553. 6s. 7d.; net profits for half-year, after providing for bad and doubtful debts, £30,018. 0s. 1d.; together, £40,571. 6s. 8d.; which the directors propose to apportion as follows, viz.: to dividend 10 per cent per-

annum, £25,000; to bonus at 2 per cent. per annum, £5,000; together £30,000; leaving £10,571. 6s. 8d., being balance of undivided profits carried forward. Two branch offices have been opened during the past half-year at Wedderburn and Donald.

Dr. Aggregate Balance-sheet, 31st December, 1876.

Proprietors' capital	£500,000	0	0
Notes in circulation	305,422	0	0
Bills in circulation	393,147	11	9
Deposits (including interest accrued) and other moneys payable on demand, and rebate on bills current not yet due ..	3,690,087	2	7
Due to other banks	83,618	16	0
Reserve fund	230,000	0	0
Profit and loss	40,571	6	8
	<u>£5,242,846</u>	<u>17</u>	<u>0</u>

Cr.

Coin, bullion, and cash balances	£1,099,840	18	0
Bullion in transitu to London	329,655	0	0
Due from other banks	144,441	2	6
Bills receivable and other advances	3,600,840	10	11
Policies of insurance	719	5	1
Bank premises	167,350	0	6
	<u>£5,242,846</u>	<u>17</u>	<u>0</u>

Dr.

PROFIT AND LOSS.

Current expenses, head office and 64 branches, with 9 sub-branches	£46,264	5	1
Bank note tax	2,892	18	10
Balance	40,571	6	8
	<u>£89,728</u>	<u>10</u>	<u>7</u>

Cr.

Balance from 30th June, 1876	£10,553	6	7
Gross profit for half-year (after deducting all interest paid or due to customers, and providing for bad and doubtful debts) and rebating bills current	79,175	4	0
	<u>£89,728</u>	<u>10</u>	<u>7</u>

Dividend account @ 10 per cent. per annum, £25,000; bonus 2 per cent. per annum, £5,000	£30,000	0	0
Balance carried forward to next half-year	10,571	6	8
	<u>£40,571</u>	<u>6</u>	<u>8</u>
Balance	<u>£40,571</u>	<u>6</u>	<u>8</u>

RESERVE FUND.

Balance	£230,000	0	0
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The foregoing report and statement having been read to the meeting, the following resolutions were carried unanimously:—

“That the report and balance-sheet now read be adopted, printed, and circulated amongst the shareholders.”

“That the thanks of the meeting be presented to the board of management and officers for the satisfactory manner in which the bank has been conducted for the past half-year.”

ENGLISH BANK OF RIO DE JANEIRO, LIMITED.

THE directors have much pleasure in submitting to the shareholders the annexed statement, showing the assets and liabilities of the bank and the profit and loss account for the financial year ended 28th February last. The gross profits for the year, including rebate of interest on current bills and drafts, amount, after making ample provision for bad and doubtful debts, to \$92,347. 18s. 2d. After deducting from this amount all charges at the head office and at the branches in Brazil, and transferring £8,148. 3s. to the credit of depreciation of capital account, there remains a net profit of £59,766. 17s. 7d., including £7,321. 19s. 6d. brought forward from the previous year. A dividend on account of 8s. per share, amounting to £20,000, was paid in December last, and it is now recommended to divide £30,000, or 12s. per share, payable on the 9th June, making the dividend for the year 20s. per share, or 10 per cent. on the paid-up capital of the bank, free of income-tax. After providing for the dividend on account already paid, and for the payment of the dividend now recommended, there will remain a balance of £9,766. 17s. 7d., which the directors propose to carry forward. The transfer of £8,148. 3s. above alluded to, raises the amount at the credit of the depreciation of capital account to £38,888. 17s. 10d., which sum represents the depreciation of capital at the current rate of exchange at Rio de Janeiro on the 28th February last. The reserve fund amounts to £72,500. The directors deeply regret to have to report the death, on the 30th April, after a short illness, of George T. Brooking, Esq., one of the original directors of the bank. The directors who, in accordance with the provisions of the Articles of Association, go out of office on the present occasion, are George A. H. Holt, Esq., and Richard Foster, Esq., both of whom, being eligible, offer themselves for re-election. The duty will devolve on the meeting to elect the auditors to serve for the next twelve months.

Liabilities and Assets, 28th February, 1877.

CAPITAL, LIABILITIES, &c.

Capital—			
Authorised in 50,000 Shares of £20 each with power to increase,			
£1,000,000; paid up £10 per share	£500,000	0	0
Liabilities—			
Amount due on current and deposit accounts, £293,052. 2s.; bills payable, other liabilities and credit balances, £1,674,321. 2s. 6d.	1,967,373	4	6
Depreciation of capital, as per statement of 29th February, 1876, £30,740. 14s. 10d.; add further amount transferred from profit and loss, to raise the amount of this account to the equivalent of the depreciation in currency to date, on the proportion of capital employed in Brazil, £8,148. 3s. ..	38,888	17	10
Reserve fund	72,500	0	0
Profit and loss account, as per statement below	39,766	17	7
	<u>£2,618,528</u>	<u>19</u>	<u>11</u>

Liabilities on foreign bills negotiated £42,742. 9s. 2d.

ASSETS, &c.

Cash at bankers and in hand	£253,247	17	9
Bills receivable in hand and deposited with the Company's bankers, £1,741,133. 15s. 11d.; other assets and debit balances, £624,147. 6s. 3d.	2,365,281	2	2
	<u>£2,618,528</u>	<u>19</u>	<u>11</u>

Ionian Bank.

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Profit and Loss Account for the year ended 28th February, 1877.

<i>Dr.</i>				
Amount of dividend of 12s. per share, declared by the Ordinary General Meeting held on 24th May, 1876	£30,000	0	0	
Balance carried down	7,321	19	5	
	£37,321	19	5	
<i>Cr.</i>				
Balance on 29th of February, 1876	£37,321	19	5	
General charges at head office and branches at Rio de Janeiro Pernambuco, and Santos, including directors' remuneration ..	£31,754	17	0	
Amount paid as dividend on account for the half-year ended 31st August, 1876	20,000	0	0	
Depreciation of capital—amount transferred to meet depreciation of capital employed in Brazil	8,148	3	0	
Balance carried down	39,766	17	7	
	£99,669	17	7	
Balance brought down	£7,321	19	5	
Gross profits in London, Rio de Janeiro, Pernambuco, and Santos, including rebate of interest on current bills, and drafts, and after allowing for interest on deposits and for bad debts, &c.	92,347	18	2	
	£99,669	17	7	
By balance brought down	£39,766	17	7	

THE IONIAN BANK.

THE thirty-sixth yearly report of the directors, submitted to the proprietors, 29th day of May, 1877.

The accounts for the year 1876 exhibit a gross profit of £45,995. 2s. 11d. From this sum have to be deducted the charges of management at the London office, and the branches and agencies of the bank amounting to £13,485. 6s. and interest on deposits £10,051. 16s. 5d., leaving as the net profit £22,458. 0s. 6d. Out of this net profit there have been paid two half-yearly dividends and bonus at the rate of 8 per cent. per annum, amounting to £16,378. 8s., leaving a balance of £6,079. 12s. 6d., which has been carried, as has been the practice of late years, to the credit of the contingency fund, reserved as a provision to meet eventual but not ascertained losses. This fund, as is stated in the last year's report, stood at the end of the year 1875 at (in round numbers) £3,000, and was, in fact, a little in excess of that amount, but from this there have been deducted the ascertained bad debts of the year 1876, and the result is, after the addition of the above-named sum of £6,079. 12s. 6d., a balance to the credit of that fund of £8,056. 12s. 7d. It is right, however, to state that the directors have in the course of the present year caused a careful investigation to be made of the indebtedness of the bank at each of its branches, and that the result has been to satisfy them that there is in the aggregate a not inconsiderable amount of that indebtedness, which, not having been treated as irrecoverable, has continued to figure in the accounts as available assets, but which it is considered prudent in future to place in a separate category of bad and doubtful debts. And in order to provide for eventual and probable loss under this head, they propose to continue, as long as it may be necessary, the appropriation of each accruing yearly surplus to the contingency fund, and thereby without trenching on the reserve to maintain

the capital of the bank in a condition of profitable activity. The alteration of the national currency which, during the last year the Greek Government thought it expedient to introduce, was the occasion of much trouble and expense, but, now that it has been effected, it will probably be found of advantage in establishing uniformity and simplicity in monetary operations. In view of the contingencies which may result from the state of war and other complications in the East, the Greek Government has thought it necessary to assume an attitude of watchfulness, and to increase its military force; and to enable the Government to carry this measure into effect, application has been made to the banks for financial assistance. To this appeal the directors of the Ionian Bank have, for several reasons, considered it expedient to respond, so far as prudence would allow, and they have accordingly agreed to advance the sum of £20,000 at a yearly interest which at the present price of issue will yield $7\frac{1}{2}$ per cent. The well-known punctuality of the Government in providing for the interest on its internal debt, renders this advance reasonably free from hazard, and it is hoped that the aid thus promptly afforded will be recognised as an additional reason for granting to the bank, on the renewal of its charter, the privileges which have been so long demanded, and which cannot, in justice, be withheld. The withdrawal of this amount from the active circulation of the bank may, however, render desirable a call upon the new shares, upon which £10 only has been paid, but as the directors entertain no doubt that this additional capital may be profitably employed they do not anticipate any objection on the part of the holders. The directors have to regret the death of Mr. Toole, their former manager at Cephalonia, and whilst supplying the vacancy so created, they have thought it expedient to make at the same time some addition to the administrative staff at that branch, which it is considered will add materially to its efficiency and facilitate the realisation of some long pending engagements which continue to press upon the resources of that establishment. Generally, the critical circumstances of the times will call for more than ordinary vigilance on the part of all concerned in the management of the bank, and the directors venture to assure the proprietors that with the valuable co-operation of the council now permanently established at Athens, every care will be taken to protect their interest, and to ensure the continuance of that fair return for their investments, which has been hitherto secured to them. Of the present soundness and stability of the bank, the directors entertain no doubt.

LONDON CHARTERED BANK OF AUSTRALIA.

Report of the Court of Directors of the London Chartered Bank of Australia, presented at the twenty-fifth ordinary general meeting of the proprietors, held at London, the 18th May, 1877.

IN accordance with the terms of the charter of incorporation and deed of settlement of the company, the directors now place before the proprietors their twenty-fifth annual report, accompanied by the accounts duly audited, showing the position of the bank's affairs to the 31st December, 1876. The directors are gratified to be able to state that the past year's operations have been satisfactory, and compare favourably with those of the previous year, exhibiting an increase in the profits of £3,418 4s. The result may be attributed to enhanced activity of trade in the colonies, accompanied by an improved demand for money. The latest advices received from the inspector and general manager in the colonies, Mr. Brett, extend to the 19th April, and speak in encouraging terms of the prospects and position of the bank. There had been apprehensions of impending drought, which, however, have been removed by the recent fall of copious rains throughout the whole continent of Australia. The extension of the bank's business to Sandhurst, Wangaratta, Carlton, and Deniliquin, has necessitated the erection of banking houses in the above rising and important localities. In order to meet this expenditure, as well as to keep the cost of the other freehold

properties held by the corporation in the colonies at their fair market value in the bank's books, the directors now propose, in conformity with the course already sanctioned by the proprietors on previous occasions, to appropriate from the year's profits the sum of £3,000 to the "Colonial Building Fund." The accounts for the past year are annexed to this report, from which it appears that after the usual deductions, including income-tax, and also after making allowance for bad and doubtful debts, there remains to the credit of profit and loss the sum of £52,513. 9s. 10d., out of which the directors recommend—
 Firstly.—That there be carried to the Colonial Building Fund the sum of £3,000. Secondly.—That a dividend be declared for the half-year at the rate of 8 per cent. per annum (free of income-tax), which will absorb £40,000, leaving to be carried over to next account £9,513. 9s. 10d.—£52,513. 9s. 10d. The directors now go out of office; but being eligible for re-election they offer themselves accordingly. Mr. Henriques, one of the auditors appointed at the last annual meeting, now also goes out of office, but being eligible, offers himself for re-election. The retirement of his colleague, Mr. Fitzgerald, has created a vacancy in the post of auditor, which it will devolve on the proprietors on this occasion to supply.

Balance Sheet, 31st December, 1876.

Dr.

LIABILITIES.

Notes in circulation, £157,661. 15s. ; bills payable and other liabilities, £430,558. 2s. 6d.; deposits, £2,109,524. 1s. 10d.	£2,697,743 19 4
Capital paid up, £1,000,000; reserve fund, £120,000; profit and loss, £52,513. 9s. 10d.	1,172,513 9 10
	<u>£3,870,257 9 2</u>

Cr.

ASSETS.

Coin and bullion, £297,674. 10s. 3d.; balances due by other banks, £44,857. 1s. 10d.	£342,531 12 1
Bills receivable and other securities	3,377,152 2 8
Freehold, leasehold, and other property of the Corporation	149,695 18 11
Open policies	604 3 2
Stamps	273 12 4
	<u>£3,870,257 9 2</u>

Dr.

Profit and Loss Account.

Dividends paid, viz. :—

Forty-fourth dividend—4 per cent. for half-year ending 31st December, 1875, paid 1st June, 1876, £40,000; forty-fifth dividend—4 per cent. for half-year ending 30th June, 1876, paid 1st December, 1876, £40,000	£80,000 0 0
Balance carried down	52,513 9 10
	<u>£132,513 9 10</u>

Cr.

Balance at 31st December, 1875, as per last statement	£49,376 0 6
Balance of profits in London and in the colonies for the year ending 31st December, 1876, after deducting current expenses, paying the income-tax, and making provision for bad and doubtful debts.	£83,137 9 4
	<u>£132,513 9 10</u>
Balance brought down	<u>£52,513 9 10</u>

ROYAL BANK OF SCOTLAND.

HALF-YEARLY report by the court of directors to the general court of proprietors, held at Edinburgh, the 5th June, 1877.

The net profits for the half-year ending at Lady-day, 1877, after all necessary deductions, including income-tax for the year, and the usual percentage of the expenditure on bank buildings, amount to £96,648. 9s. 6d.; and, adding the sum brought forward at Michaelmas last, the balance at the credit of profit and loss account is £132,329 7 6
 out of which the directors recommend a half-year's dividend at Midsummer, at the rate of 9½ per cent. per annum, free of income-tax 95,000 0 0

leaving £37,329 7 6

to be carried forward, over and above the rest of £500,000.

Sir George Warrender, Bart., and Mr. John Graham, as respectively the senior ordinary and extraordinary directors, are not re-eligible. The directors recommend the appointment of Mr. Graham Menzies, distiller, Edinburgh, as an ordinary director, and that Sir George Warrender should be elected an extraordinary director, in room of Mr. Graham.

J. S. FLEMING, Cashier.

UNION BANK OF SCOTLAND.

Forty-seventh annual report to the proprietors.

The directors have again the pleasure to meet the proprietors, and to submit the annual abstract statement of the bank's affairs, made up as on the 2nd instant. The year has been one of great depression in trade, and rates for money have ruled unusually low, the minimum rate of discount of the Bank of England having been two per cent. since 20th April, 1876. The bank's profits have, consequently, been on a lower scale than usual throughout the whole financial year. The profit and loss account of the year, after providing for rebate on bills discounted, and for all bad and doubtful debts, shows a balance at credit of £145,023. 14s. 6d., to which there falls to be added the sum of £9,504. 18s. 10d. brought from the previous year, making a total of £154,528. 13s. 4d. Out of this sum the directors recommend that there be set aside for dividend, at the rate of thirteen per cent. per annum, free of income tax, payable in equal proportions on 10th May and 10th November, £130,000; that there be carried to rest account £15,000 and that there be carried forward in profit and loss account £9,528. 13s. 4d. Total, £154,528 13s. 4d. The bank's rest or surplus profits will then stand at £315,000, exclusive of the whole year's dividend and of the balance in profit and loss account, which together amount to £139,528. 13s. 4d. The directors who retire by rotation at this time are Mr. David Anderson and Mr. Archibald Galbraith. Mr. Anderson does not offer himself for re-election, being desirous, on account of his advanced age, of retiring from active service on the board. His colleagues deem it due to him, in these circumstances, to record their high appreciation of his constant and devoted attention to the bank's affairs during the period of nearly forty years that has elapsed since the junction with Sir William Forbes, J. Hunter and Co. To fill the vacancies, the board recommend the election, in room of Mr. Anderson, of Mr. James Currie, merchant, Leith, and the re-election of Mr. Galbraith.

Abstract State of Affairs of the Union Bank of Scotland, 2nd April, 1877.

Dr.		LIABILITIES.	
Deposits	£9,666,687	2	6
Current drafts on London	197,321	19	1
Acceptances by the bank and their London agents	190,182	2	6
Note circulation	839,317	0	0
Total liabilities to the public	£10,893,508	4	1

Capital paid up, £1,000,000; rest account, £300,000; profit and loss account, 1st April, 1876—Balance brought forward, £9,504 18s. 10d.; profit and loss account, 2nd April, 1877, £145,023. 14s. 6d.		1,454,528 13 4
		£12,348,036, 17 5
Cr.	ASSETS.	
Bills of exchange, local and country bills, cash credits, and other advances		£8,133,420 6 6
Bank offices: Glasgow, Edinburgh, and branches		167,692 4 8
Consols and short loans in London, £2,205,908. 3s. 8d.; other securities and investments, £1,242,728. 4s. 1d.: Gold and silver coins, and note of other banks, £598,287. 8s. 6d.		4,046,924 6 3
		£12,348,036 17 5

Notices of Books.

A System of Political Economy. By JOHN LANCELOT SHADWELL. London: Trübner and Co., Ludgate Hill. 1877.

A writer on political economy who, at the present time, puts forward a fresh and complete system, needs to give some justification for so doing. Mr. Shadwell mentions his reasons for desiring to do this in his preface, in which he states that, being dissatisfied with the commonly received theories on the subjects of "Value" and "Wages," he desired to put forward his own opinions on these points. Mr. Shadwell further considers that his views would be more likely to receive attention if they were worked into a system of political economy, and the result of this opinion on his part was the volume now presented to the public. The work shows great industry on the part of the writer. Six hundred and twenty-five solid pages must have required much thought, much assiduity, and a strong resolve, as well as much labour.

Mr. Shadwell would probably hardly think that a reviewer had done his book justice if he omitted from his notice of it those two chapters which were the cause of its being written, and yet that is exactly what we feel inclined to do, as they appear to us those in which the author has been least successful. To us the statement of Adam Smith, that "the value of any commodity to the person who possesses it, and who means not to use it or consume it himself, but to exchange it for other commodities, is equal to the quantity of labour which it enables him to purchase or command," seems to adhere more closely to the facts of the case than Mr. Shadwell's definition, that value is "the esteem in which commodities are held, as measured by the quantity of labour which will be given in exchange for them." So far as Mr. Shadwell's dictum differs from that of Adam Smith it seems to us the more loosely expressed of the two. The real difficulties of the case, the difference between "value in use" and "value in exchange," are passed over by Mr. Shadwell, while the wording of the very carefully-worded phrase of the earlier writer has always seemed to us expressly arranged so as to reserve these points.

On the question of "Wages," we are again at an issue with Mr. Shadwell. "For my own part, I consider," he says, "as I have already observed, that fluctuations in the rate of wages depend on fluctuations in the efficiency of labour, and that the number of unsuccessful competitors for employ-

ment is not the cause of the rate of wages, but a sign which indicates that the labour of those who are employed is more or less productive." Now, that the reward of labour, the wages of labour, must ultimately correspond with the approximate value of the products of that labour is, no question, true exactly in the sense of the old proverb, which teaches us that—

"The value of a thing,
Is whatever it will bring;"

but we are at a loss to understand how the rise or fall in the temporary fluctuations of the wages of labour can be fully and completely explained by Mr. Shadwell's formula. The "efficiency of labour" means, we conclude, the work done, and Mr. Shadwell's definition fails entirely to explain why, when the "efficiency" remains the same, the produce sells at such varying prices, and is rewarded with such varying wages.

The limited space which we can give to Mr. Shadwell's work prevents us from examining his theories on these two points in much detail, and we pass from them the more willingly, as the remainder of the volume appears to us far more worthy of notice.

Mr. Shadwell's observations on the influence and power of trades unions are worthy of careful attention. The following extract is taken from the chapter in which the question as to whether trades unions are able to raise the rate of wages is discussed. Some of those who have written, and more of those who have spoken, on the subject appear to have considered that the fact that wages have risen since trades unions have been established is sufficient to prove that the unions have been the cause of the rise.

"But the economic question is not whether unions are in some cases a part of the machinery employed in adjusting the rate of wages, but whether the unions have any power to raise wages above the rate at which they would be fixed by the competition of masters and men if there were no combination on the part of the latter. The '*post hoc, ergo propter hoc*,' which these writers put forward as a sufficient argument to establish their case, will not avail unless it can be shown that no rise has taken place in those trades which are not subject to the influence of unionism. Not only do they furnish no evidence to show that there has been no rise in other trades, but it would be difficult to do so, for the table in the last chapter shows that during the period 1851 to 1870 there was a rise of 30 per cent. in the wages of agricultural labourers, although they had not at that time formed any unions at all. There can be no doubt that wages sometimes rise, and in those trades in which unions exist a demand for an increase is frequently put forward or supported by the unions, but if there is no greater rise in these trades than in others, the mere fact of a rise does not prove that the unions have caused it. The immediate occasion of a rise is a request on the part of the men, and the consent of the employers is necessary to establish it; but the question is, whether the rate can be settled arbitrarily, or whether both employers and men are obeying, consciously or unconsciously, an economic law which settles what their rate is to be, and to which both parties must submit."

The chapters on Banking, Foreign Trade, and the Rate of Interest are written with much spirit and intelligence, and give the impression that considerable thought and care has been bestowed on their preparation. There is one point in the volume to which it is best to refer, as we hope Mr. Shadwell may continue his literary labours—and that is that he has employed the French system, both for money, weights and measures, in every statement throughout the book in which sums of money or quantities

are referred to. Mr. Shadwell has done this, because this system is "in all respects the best" with which he is acquainted. In this matter we must venture to disagree with Mr. Shadwell. The point appears to us to be, not what system is theoretically the best, but what system is likely to be most easily intelligible to the readers of a book. The giving readers needless trouble is a fault the effects of which will always recoil on any writer. The better practice appears to us to be the reverse of Mr. Shadwell's plan, and to translate all foreign money, weights and measures into English, when writing a book intended for English readers. Though we are far from being ourselves unacquainted with statements in foreign money, and though the French system is undoubtedly one very easily intelligible, yet in reading Mr. Shadwell's book, from the first page to the last, we have had to go through a mental process of translation, and of reduction of the amounts and quantities to their English equivalents. We have mentioned this point, because, as we also mentioned before, we hope we may find Mr. Shadwell again in the field of economic literature, and we must hope that he will in any future volume spare his readers the labour involved in the process of translation to which we have referred: should he want a subject, the chapter on Trades Unions will furnish him with a very good one. A careful, exhaustive, and scientific inquiry into the question of the working and results of such societies, free either from passion or prejudice, would be a work of great public utility. And such a work, we think, Mr. Shadwell might well undertake. In it we hope he will resolutely stick to the subject before him, and avoid wandering off from the subject to any other, will avoid having a slide-fling at opinions which he does not himself hold, of which habit of mind there are a few instances in the volume before us, which appear as blemishes on its otherwise philosophic spirit.

We are always well disposed to welcome any fresh labourer in the field of economic research, and hence, as we have mentioned, we trust Mr. Shadwell may find an opportunity for other studies, in which his power of work and capacity for investigation will be, we cannot doubt, of service to himself and his readers. At the present time, we are inclined to think that a series of carefully written essays, dealing with particular branches of the subject, are more likely to be generally useful than any fresh general "system," however carefully written such a volume may be.

Silver and Gold, and their relation to the Problem of Resumption. By S. DANA HORTON. New Edition, revised and enlarged. Cincinnati: Robert Clarke and Co., 1877.

The object of this volume is to clear the grounds toward the successful resumption of specie payment in the United States. Mr. S. Dana Horton speaks with the vigour of a man who has studied his subject with care, and who feels an hereditary interest in a difficult and tangled question, his father, the Hon. V. B. Horton, of Ohio, having endeavoured to oppose the great evil of a forced paper currency, in 1862. A quotation from a very powerful speech which Mr. V. B. Horton delivered in the House of Representatives at Washington, on February 5th, 1862, on the question of the desirability of maintaining a specie standard forms part of the introductory chapter to the volume.

After examining into the various estimates which have been formed of the stock in hand, the annual supply of the precious metals in the world, and the moral questions involved in a sound monetary policy, Mr. S. Dana

Horton arrives at the conclusion that without the employment of bi-metallic currency the resumption of specie payments in the United States is an impossibility. From the arguments in favour of this conclusion the following are selected as the most important:—

“That prosperity, not merely of a nation, but of the world, is dependent upon a wise constitution of money.

“That the use of silver and gold as money is the institution, not of a nation, but of mankind; and the existing scales of prices, of debit and credit, expenditures, investments, and of valuations of property in general throughout the world, are dependent upon this vast consensus of mankind as a totality to use existing gold and silver as money.

“That for mankind, as a whole, to demonetize either metal would be suicidal.

* * * * *

“That the existence of a steady par is chiefly the resultant of laws of legal tender, the nominal par itself being a creation of the law of bi-metallic countries, while the laws of mono-metallic countries are negatively effective by balancing each other, and thus securing the par from disturbance.

“That the steadiness of the par must depend on the relative amounts of the stock of bi-metallic countries and of mono-metallic countries, and the permanent adjustment between the latter.

“That this steadiness of the par can safely be guaranteed, through treaty, between a sufficient number of nations for unlimited legal tender, with free coinage of their own gold and silver coin.”—P. 149.

Now, there cannot be two opinions upon one part of the subject: that provided strict justice is done to every one who has payments to make or receive, and that no promise held out to any creditor, whether of the State or of any individual within its boundaries, is broken, every country is entitled to employ such a standard of value as it finds most convenient. It may be disadvantageous to a State, in its relations with other countries, to maintain a particular standard of value, but so long as all pledges made are honestly kept, there does not seem to be any fair cause of complaint if a State exercises its sovereign power of decision in this matter in the manner which it considers most beneficial to its own people.

Should the United States think it to their interest to resume specie payments in silver, there would, as far as we can see, be no just cause of complaint on the part of other nations in consequence of their doing so, provided all engagements whatever as to the payment in gold of any liability which had been stipulated for in that metal, were strictly adhered to.

Undoubtedly also, with all the vast difficulties attendant on the resumption of specie payments staring them full in the face, with a great and a growing supply of both the precious metals arising from the abundant sources contained within their own territories, it is not wonderful that many people in the United States of America should think that the adoption of bi-metallic money would be of great service to them, that, in fact, the use of two metals instead of one would halve their difficulties.

It is often an instructive and sometimes somewhat a sad spectacle, to see the tenacity with which old forms of error hold their ground. In these cases the best plan is to quote the opinion of some one who lived in a date sufficiently removed from the influences of the present time to be clear from any accusation of being a partizan. And the words of that great economist and thinker, John Locke, which follow, are in consequence well suited to the occasion:—

"Two metals, as gold and silver, cannot be the measure of commerce, both together, in any country; because the measure of commerce must be perpetually the same, invariable, and keeping the same proportion of value in all its parts. But so only one metal does, or can do itself; so silver is to silver, and gold to gold. An ounce of silver is always of equal value to an ounce of silver, and an ounce of gold to an ounce of gold; and two ounces of the one, or the other, of double the value to an ounce of the same. But gold and silver change their value one to another; for supposing them to be in value as sixteen to one now, perhaps the next month they may be as fifteen and three-quarters or fifteen and seven-eighths to one. And one may as well make a measure, *v.g.* a yard, whose parts lengthen and shrink, as a measure of trade of materials that have not always a settled, invariable value to one another.

"One metal, therefore, alone can be the money of account and contract, and the measure of commerce in any country."

From Locke's "*Further Considerations Concerning Raising the Value of Money.*"

It strengthens the case very much that Locke was an advocate of a silver standard.

"Silver and silver alone, is the measure of commerce." . . . "The fittest for this use, of all other, is silver, for many reasons." In the time of Locke silver probably was the best standard of value. Circumstances in this respect have changed since his day. But the truths of economic science are immutable. Only one metal can be the standard at any one time, and to attempt by any method whatever, by treaties between different nations, by agreements, or by public or private arrangements, to fix a certain and immutable par between gold and silver is about as practicable as an attempt to settle the fluctuations of the barometer by similar means.

However convenient a bi-metallic standard might be, it is an impossible thing in practice. Mr. S. Dana Horton has shown the difficulties which his country will have to meet in resuming specie payments; but the method he proposes will not provide a solution for those difficulties.

An Enquiry into some of the causes of the Fluctuations in Trade. By CHARLES GAIRDNER, manager of the Union Bank of Scotland, Glasgow: James Maclehose, 1877.

Mr. Gairdner, on being requested to address a lecture to the Institute of Accountants and Actuaries at Glasgow, very naturally and very suitably selected as his subject "The causes of Fluctuations in Trade." There are few positions more favourable to observations on such a theme as that which Mr. Gairdner spoke on, than the chief managership of a large bank in the midst of a vast, energetic, and enterprising city. In such a position a man is able to perceive the first symptoms either of declining or of reviving prosperity, which are long before they manifest themselves to the world at large; and though Scotland does not appear to have experienced the full brunt of the pressure which has been so forcibly felt in other countries, yet even there the experience of trade during the last three years has been far from favourable. Some of the causes which have brought this state of affairs to pass are of a very wide influence, and exert a power over other nations than our own. But as far as we ourselves are concerned, Mr. Gairdner is, we cannot doubt, entirely correct in ascribing a large part, if not all of the recent collapse in several of our staple trades, to the over stimulus given to those trades through the influence of the expenditure incidentally

caused by the raising of Foreign Loans, mainly to uncivilised or half-civilised countries, which has been so marked a feature of British finance in recent years. We lent, in fact, as a nation, a large part of our savings of our fixed capital in short, to some foreign nations; and they, on their part, expended a portion of what we lent them with ourselves. Now we have ceased lending they have ceased spending, and we cannot expect trade in any marked degree to revive among us till we have reconstructed, through careful economy, the sums which we have squandered. We are the more interested to see that Mr. Gairdner has made an inquiry into this subject, as we made ourselves a very similar investigation into it last year in the numbers of this Journal for the months of May, June, and July; and the result of that investigation satisfied us that it was only by retracing, as far as possible, our steps, by replacing, through care and thrift, the resources we have lost, that we can hope to retain our former position. But care and thrift are two of the most unpleasant virtues to preach, and we are glad to find that Mr. Gairdner has been prescribing the same salutary, though unwelcome course.

We conclude with an extract from the close of Mr. Gairdner's lecture, which contains much that is practical in it:—

"It is true that the conditions of British industry present some features more favourable to permanence than the world has ever seen before. But, on the other hand, our vast increasing population, finding no longer occupation on the land, is drawn into closely-packed communities in the towns, there to develop new capacities of power and of weakness, of happiness and of suffering, of good and of evil. By means of a minute subdivision of labour, the aggregate production has been immensely increased, but this at the cost of rendering the work of each individual purposeless and barren, except in combination with the labour of others. Thus has grown up a highly artificial industrial system, whose vital principle is in co-operation; whose healthy, vigorous action depends on harmony and mutual confidence. If this be recognised, as I doubt not it will come to be, the prosperity of the past may, to all appearance, be maintained and exceeded in the future. If, unhappily, it be neglected, even though all the other elements of success should abound, the whole fabric may fall into disorder and decay."—P. 34.

We hope that Mr. Gairdner's sound advice will fall on willing ears.

The Law of Life Assurance. By ROBERT BERRY, M.A., Professor of Law in the University of Glasgow. Glasgow: James Maclehose, 1877.

Professor Berry, who is favourably known to our readers through the very able series of lectures on Banking Law, published in this journal in 1876, was, like Mr. Gairdner, requested last year, to deliver a lecture to the Institute of Accountants and Actuaries in Glasgow.

Bankers occasionally have to take policies of life insurance either as security against an advance, or more frequently in support of such security, and a knowledge of the leading principle of the law in such matters cannot fail to be of service to them. In particular their attention may be drawn to Professor Berry's remarks on policies being vitiated through the operations of these conditions in them which state that policies will be void in the event of there being any "untrue" statement in the declaration which is usually made the basis of the contract.

"It seems almost unnecessary to say that, if a policy is vitiated by fraud

or by untrue statement on the part of him to whom it was originally granted, the taint applies to it equally in the hands of one to whom it has been assigned for value. Yet in a recent case before the Court of Session, an attempt seems to have been made to maintain as a valid plea, that 'any mis-statement or omission on the part of the assured, although it might have furnished a good objection against him, cannot affect the policy in the hands of onerous assignees.' This plea was without difficulty repelled by the court, the Lord President laying it down as having been long well-settled in law, that 'in a personal obligation, whether contained in a unilateral deed or in a mutual contract; if the creditor's right is sold to an assignee for value, and the assignee purchases in good faith, he is nevertheless subject to all the exceptions and pleas placeable against the original creditor.' It is a maxim generally applicable to all personal obligations with the exception of bills, to which class of instruments special rules apply, that an assignee stands in the shoes of his author, or as it is expressed in Latin, *assignatus utitur jure auctoris*.'—P. 24.

The following remarks on the payment of premiums, not on the day on which they strictly become due, but within the days of grace usually allowed, may also be interesting to some of our readers:—"For example . . . where the policy stipulated for the payment of periodical premiums *during the life* of the assured, and by the rules of the society the failure on his part to pay the premiums for fifteen days after they were due avoided the policy, unless the member, *continuing in as good health as when the policy expired*, paid up arrears within a certain further period, it was held that a member insuring having died, leaving a periodical payment overdue at the time of his death, the policy had fallen, and that a tender of the amount by his executor, though made within fifteen days after it became due, did not satisfy the terms of the policy and the rules of the society, such payment to be made *by the assured in his lifetime, continuing in as good health as when the policy expired*. In short, a condition of this kind may be a trap rather than a boon to the public.'—P. 25. Bankers in England are usually very reluctant to take policies of insurance as security for any advances, and quite rightly so, as in most cases life policies form but very unsatisfactory securities, and the influence which reading Professor Berry's remarks on the law of life insurance may be expected to have on all concerned, after observing the additional risks which they may still have to run, though they have themselves taken the assignment of a policy in all good faith, will assuredly be to make them still more chary of taking such securities for the future.

Communications.

To the Editor of the "Bankers' Magazine."

OFFICE OF JURYMAN.

SIR,—Referring to the question raised by Mr. Phillips in your issue for the month of June, as to the liability of branch bank managers to be called on to serve as jurymen, I am unable to see on what grounds Mr. Phillips could claim exemption. The position of a branch manager appears to be, so far as juries are concerned, analogous to the position of a merchant, or any other trader, and the inconvenience attending it may be probably equally disagreeable to both; but Mr. Phillips either forgets or ignores the existence of an officer of the bank, next in importance to him—

self, and known as the accountant, whose duty it is to act for the manager during his absence, and who is, or should be, fully competent to undertake the duties and responsibilities of that position. If, however, branch bank managers are to be exempted from serving, it would be difficult to say how far the exemption might be extended, and whether, ultimately, all jurymen might not claim that privilege on the somewhat frivolous excuse "that they had to be away on important private business in Herefordshire."

I am, Sir, yours obediently,
M. H., LL.D.

BANKING INSTITUTES.

SIR,—I read with feelings of the deepest pleasure Mr. G. D. Lawson Brown's letter on this subject in your May number, and I am pleased to observe that the question is now receiving the attention it so fully deserves from those engaged in banking. That the establishment of banking institutes would prove an almost incalculable boon to bank officials in general there can be no doubt, and I confess I am somewhat at a loss to imagine why there is no institution of the kind in London—the grand centre of banking and commercial enterprise, and the metropolis of the financial world; and I can only account for its non-existence by the fact that many of the larger banks have libraries, &c., of their own, and that, for this reason, the idea of a banking institute is not so warmly taken up as it otherwise would be by London banks and bankers generally.

It affords me much pleasure to be able to concur in every word of Mr. Brown's excellent letter, and I feel assured his remarks regarding the necessity for banking libraries in all banks of sufficient size to warrant the directors in providing the books will be gladly indorsed by every person professionally engaged in banking, who has the interests of his profession and his own welfare at heart, and I think it is as little as bank directors can do to promote, as far as in their power lies, the intellectual, as well as financial, prosperity of those who have served them faithfully, honestly, and well.

The price of good works relating to banking, like those in reference to law, the medical profession, and, indeed, to all classes of books, which have from their nature a comparatively small field of circulation, is unfortunately so high as to place most of them beyond the reach of a large majority of those for whom they are principally intended, the cost of half-a-dozen volumes not unfrequently reaching as many pounds; hence a great number of clerks on small salaries are unable to attain that amount of knowledge which is so essential to fit them for the higher and more extended duties of commercial life. It will, indeed, be a bright and memorable era in the history of banking when it will be the exception to find respectable banks in good positions, without possessing judiciously-selected libraries for the use of their officials. In towns sufficiently large to support banking institutes, nothing than their inauguration could be more desirable; indeed, I believe it almost impossible to over-estimate the advantages to be derived by the members. Of course, in small towns and districts, like the Isle of Man, for instance, the formation of banking institutes would be matters of greater difficulty; but I see no reason why banks which are in a flourishing condition, paying handsome dividends, and creating large reserve funds, should be without suitable libraries for the benefit of their respective staffs, as it is clearly seen they would be more

than repaid by greater proficiency on the part of their officials, who, I am sure, generally speaking, do their utmost for their employers.

The rapid increase of late years in works relating to banking is a fair argument that there must be, at least, a proportionate increase in the desire for information amongst those engaged in its pursuits, and, taking this fact into consideration, I think it is greatly to be regretted that so few banking libraries are already in existence.

Hoping that others more able will unite with me in this desirable work, and that it will be the means of promoting the welfare of those for whom it is intended, and of whom I have the honour to be one,

I am, Sir, your obedient servant,

J. M. SUTHERLAND.

Iale of Man Banking Company Limited, Douglas,
8th June, 1877.

POINTS OF LAW.

SIR,—I will thank you for a reply to the following queries,

Your obedient servant,

A BANKER AND SUBSCRIBER.

1st. Is the separate property of individual members of a firm liable for debts of the firm? If not what is to prevent the systematic fraudulent withdrawal of the funds of the firm for investment by its members?

2. Is a firm liable for the private debts of its members to the extent of such members' interest in the firm, and to that extent only?

3. Parties keeping a banking account, say in names of Messrs. John and Michael Smith, both having authority to draw upon the account, in case of the death of one must the survivor take out administration or can he still draw upon the account—account being always signed thus, John and Michael Smith?

4. A deposit receipt expressed thus, "Received from John Styles the sum of one hundred pounds sterling to be 'accounted for' at our office here,"—could bank legally refuse payment for discounts made on good faith of such deposit, there being no authority for so doing beyond the fact of such being customary in the district?

5. Would a cheque, held against a deposit receipt, give a sufficient lien, and ought such cheque to be expressed for full amount of deposit, or only for such portion of it as is to be held bound for each separate advance?

6. A deposit receipt issued in favour of husband and wife thus—"Received from John Smith and Mary his wife one thousand pounds sterling to be accounted for at our office here to them or survivor"—(1.) If payment is required during lifetime of both, is it necessary for the wife to endorse? (2.) In case of death of husband, no will having been made, can the wife legally get the money without taking out administration, or (3.) in case of a will, must the money be paid over to executor or executrix, although the will alienates the money from the wife, notwithstanding its being expressed payable to the survivor on face of the receipt?

7. Bills passed into bank for collection, that is "short bills," in case of bankruptcy of the depositor has bank a lien on such bills for moneys advanced by overdraft or discounts, or do they form portion of bankrupt's estate, and as such pass to assignee?

8. In the same case,—but the depositor not being bankrupt,—would bank have a lien on the bills for current advances, or should they be given back at the request of depositor?

9. Could bank sue the parties on bills left to them for collection, in as full a manner as if the bills had passed to credit of the depositor?

10. Cheque payable to Henry Smith or order, endorsed Harry Smith, would bank be justified in refusing payment? In fact, does a difference in spelling of christian name materially affect the endorsement of cheques?

[If every subscriber burdened us with a list of queries of the above dimensions, our publication would have to consist of queries only.

(1.) It is impossible to say more than that generally speaking the separate estate is so liable. The circumstances of each case must be looked to.

(2.) A firm is not so liable at all.

(3.) No. He can still draw, unless legal proceedings are taken to prevent it. Usually, only next of kin are entitled to a grant of administration.

(4.) Such a payment would, we think, be irregular.

(5.) Your inquiry is not sufficiently clearly expressed.

(6.) a. Yes. b. This point has been fully discussed in our columns during the past twelve months. c. This is a nice point of law which you would be hardly likely to get two lawyers to agree upon. It depends on the exact *wording* of such document.

(7.) Depends entirely upon when the *act* of bankruptcy was committed, the right of the trustee has relation back to that time.

(8.) Depositor is entitled to his bills, and even to recover them in an action of detinue.

(9.) No.

(10.) Sec. 19 of 16 and 17 Vict., cap. 59, requires that such a cheque shall *purport* to be endorsed, &c. A banker would *not* usually so pay, but it is doubtful whether as a matter of law it is not a sufficient endorsement. Ed. Law Dep.) B.M.]

WARRANTY WRITTEN ON BACK OF CHEQUE.

SIR,—“A. B.” buys a horse of “C. D.” and pays him for it with a cheque to order on his bankers, and inscribes on the back of the cheque a warranty that the horse is quiet and sound.

The cheque is presented for payment properly endorsed, but the inscription in question has been struck out. Do you consider that the bankers would be justified in refusing to pay the cheque under these circumstances? My own impression is that if “A. B.” had sufficient funds to meet the cheque, his bankers would be bound to pay it to “C. D.,” and that the warranty to which I refer is not a material portion of the cheque as between “A. B.” and his bankers.

Thanking you in anticipation,

I am, &c.

W.

[Most certainly the banker must pay the cheque.—Ed. (Law Dep.) B.M.]

JOINT DEPOSIT BY HUSBAND AND WIFE:

Husband and wife lodge on joint deposit account £100. Husband dies intestate, leaving his widow and one child survivors. The widow presents deposit note, giving notice to withdraw principal and interest. Am I justified in paying her the amount without her administering to her husband's estate?

[We think not.—Ed. (Law Dep.) B. M.]

THE ENDORSATION OF DIVIDEND WARRANTS.

A dividend warrant is issued payable to "John Smith or order." Smith signs it at the place marked (usually underneath the order, and at the left hand corner), and presents it for payment to his own bankers, *without being endorsed*, who pass the proceeds to Smith's credit, and forward it to the company's bankers, by whom it is returned "*for endorsement*." Smith's bankers contend that the signature of the proprietor at the place marked for such is sufficient and endorsement unnecessary. The company's bankers say that the signature of the proprietor at the bottom of the warrant is simply a receipt to the company for the dividend received—and that if he is unable to call *personally* at the office where the dividend is payable, he must authorise the payment to another, and hence *endorsement is necessary*.

I think it is absurd to say that the proprietor's signature at the bottom of the order (and which, undoubtedly, is only a discharge to the company for the dividend) can be regarded as equal to an endorsement; on the same reasoning, endorsement by the drawer of a bill is not required. The document is payable to "John Smith or order," and no person can have a right to that document *without John Smith's endorsement*. It no doubt tends to facilitate business to dispense with the endorsement, but I question if it is right to seek *facility* at the expense of *legality*.

A COUNTRY BANKER.

[The practice in London is to require only the signature of payee, and that seems to us all that is necessary.—Ed. (Law Dep.) B. M.]

GILBART LECTURES.—EXAMINATION.

SIR,—I see in page 469 of your last issue, that Professor Levi intends holding an examination (I presume on Banking, seeing the subject of his lecture in which the intimation is given).

Can you inform me if papers will be issued to the students in the usual manner, and, if so, whether one could obtain a copy in order to see what kind of work is to be done? Thanking you in anticipation,

Yours faithfully,

EDMUND F. KENT.

[We are informed that the subject is under consideration.—Ed. B.M.]

INSTITUTE OF BANKERS IN SCOTLAND.

London, 31st March, 1877.

SIR,—Having just read Mr. Fleming's inaugural address to the above institute, will you allow me to call attention to a grievance which I nowhere see it stated to be one of the objects of the institute to uproot? If Mr. Fleming and the president of the institute were to take the initiative in the reform, the grievance would soon be a thing of the past. Talking of promotion in banks, Mr. Fleming says, "The superior offices at home are few in number, but there is an unlimited field abroad where honourable position may be attained." It may be that first-class appointments in the head offices are few, but there are a very great number of excellent appointments as agents, and the particular grievance that I wish to bring forward is that the best of them are given to gentlemen previously unconnected with banking. A few days ago, in the House of Commons, when questioned as to Post Office appointments, Lord John Manners stated it to be a rule in his department that all country postmasterships, &c., having salaries

equal to, or above, a certain fixed sum, are reserved for the promotion of deserving clerks and officers in the Post Office. This salutary example might with advantage be followed by the Scotch banks in the appointment of agents in the more important towns, such as Aberdeen, Ayr, Dundee, Perth, &c. We find from Mr. Fleming's pamphlet that "Scotch bankers are guiding the course of development of the banking system in England, India, and the Australian colonies, and everywhere." We have it on his high authority that there is no want of ability. There can be no doubt that in all the banks there are many gentlemen, well educated and intelligent, and in every way able to command influence and respect, who would be only too glad to be appointed to such agencies, instead of being compelled to seek promotion by taking part in the "development" of the banking system in other countries. I may state that the grievance of which I complain is almost unknown in Indian and Colonial banks. I question if the benefits aimed at by the institute are likely to be attained unless the reform I have indicated proceed *pari passu*. In truth, will it not rather only aggravate the evil to increase the skill and accomplishments of bank employés, and at the same time continue to allow lawyers, retired shopkeepers, &c., to bear off the prizes which should reward the ambition of the trained officials? I need not say that in the medical, legal, or clerical professions such intrusion is unknown. What would the licentiates of the Church say on hearing that the "Briggate butcher" or some other eloquent layman had just been inducted to a goodly vacant benefice?

I am, &c.,

B. S.

CROSSED CHEQUES ACT.

In the House of Commons, on 13th June, Mr. Hubbard moved the second reading of his Crossed Cheques Bill, the object of which he explained to be to extend to cheques crossed and payable "to order" the protection given by the Act of last year to cheques marked "not negotiable," by providing that no holder of a cheque shall be able to give a better title to it than that with which he received it.

The rejection of the Bill was moved by Mr. Backhouse, who thought it premature to reopen the question so soon, and also that the proposal would have a restrictive effect. Mr. Morley, Mr. T. Hankey, Mr. Marten, and Mr. Wheelhouse also urged that sufficient time had not been given for the Act to be fairly tried. On the other hand, Mr. Muntz, Mr. Gregory, and Sir J. M'Kenna supported the second reading.

The Attorney-General defended the Act of last year, which, he maintained, afforded sufficient protection to the cheque without limiting its negotiability. When people came to understand the Act, no doubt it would come into more general use.

On a division, the Bill was thrown out by 175 to 66.

Monthly Notes.

The London and County Bank notify that a draft has been presented purporting to be drawn on them by the Birmingham, Dudley, and District Bank, Birmingham; and, as this draft bears several foreign endorsements, and has, apparently, been used for fraudulent purposes, they think it necessary to caution the public, in case others are in circulation.

The Treasury bills, having three months' currency, which were issued on the 28th of March last, will be paid off at the Bank of England on the 28th June. The Chancellor of the Exchequer will postpone until the 9th of July a fresh issue of Treasury bills in place of those so paid off, that date being more convenient for the public generally than the end of the quarter. Notice of tenders will be published in sufficient time for the information of persons concerned.

It is announced that the business hitherto carried on by Pim Brothers and Company in South Great George's Street, Dublin, as a private firm, will in future be carried on under the name of Pim Brothers, Limited, as a Limited Company, in which the partners in the old firm retain all the shares excepting some which have been allotted to four gentlemen who have long held responsible positions in their employment, and three of whom will be directors of the new company. The capital of the company is £300,000, in 30,000 shares of £10 each.

Mr. H. A. Slattery, a director of the National Bank, has issued his address to the Dungarvan electors. He will earnestly seek Home Rule as defined by the National Conference, without which Ireland will never be prosperous. He will use his best exertions for denominational education, and will support Mr. Butt's University Bill as well as his Land Bill. Mr. Slattery will also uphold the demand for the release of the "political" prisoners.

It is announced from Cairo that the contract for the sale of the grain crop has been signed at the Egyptian Ministry of Finances. By this arrangement a powerful group of English houses guarantee the payment of £500,000 by July 10. This, with £800,000, the actual receipts of the Treasury of the Egyptian Public Debt, \$100,000 due from Egyptian Customs, \$150,000 from Upper Egypt, and \$150,000 from Lower Egypt, issued to insure the funds necessary for the payment of the July coupon of the Unified Debt.

A return annually obtained has just been issued, procured by Mr. Backhouse, M.P., showing the amount of notes and gold held in reserve each week in the year ended the 31st December last. At the commencement of the year, January 5, the bank notes held by the public amounted to £28,084,000, and at the end of the year, December 27, £27,898,000. On the same day the notes held in reserve by the Bank amounted to £14,913,000; gold in reserve, £554,000; total amount of bullion, £28,365,000. The total amount of deposits, including Exchequer and London bankers, was on the 27th of December £31,049,000.

The London and River Plate Bank has declared an interim dividend of 2½ per cent. for the half-year ended the 31st of March last, free of Income-tax.

MONTHLY CHRONOLOGY.

June 6th.—The Crown Agents for the Colonies announce for subscription the second portion, amounting to £500,000, of the Natal Government 4½ per Cent. Debentures, of which the total authorised issue is to be £1,200,000, and also £50,000 on account of Coolie immigration. The bonds will be of the usual denominations, and the fixed minimum price is 96 per cent.

8th.—The Financial Committee of the Constantinople Chamber of Deputies has adopted a bill respecting a forced internal loan to be imposed on all taxpayers, proprietors, traders, and functionaries, stated to amount to £6,000,000, to bear 10 per cent. interest, and be redeemed in 12 years.

11th.—The United States Secretary of the Treasury has made a call of

15,000,000 dollars of the 5-20 Six per Cent. Bonds of 1865. Another 10,000,000 dollars will absorb the whole of the $4\frac{1}{2}$ per Cents., which are to be issued under the modified contract, as 175,000,000 dollars of the total has already, within less than one year, been put on the market by the Syndicate conducting the operation.

13th.—Tenders were received by the Crown Agents for the Colonies for Natal Government $4\frac{1}{2}$ per Cent. Debentures, redeemable in 42 years. The minimum was fixed at 96, at and above which rate £183,200 were taken, leaving a balance of £366,800 unallotted.

18th.—An Imperial decree, dated from Plojesti, on the 7th, was promulgated at St. Petersburg, empowering the Finance Minister to raise a foreign Five per Cent. Loan of £15,000,000 sterling, in bonds of £20 each, redeemable by annual drawings.

13th.—The Bank of Bombay has reduced its minimum rate of discount to 7 per cent.

14th.—The Bank of Bengal has reduced its minimum rate to 8 per cent.

16th.—The Imperial Bank of Germany has reduced its rate of discount for bills to 4 per cent., and its rate of interest for advances to 5 per cent.

21st.—It is announced from Paris that a Ministerial decree authorises the creation and issue of long-dated Treasury Bonds of 500f. each, bearing an annual interest of 20f., payable half-yearly, and redeemable by periodical drawings.

21st.—Information has been received by telegraph from St. John's, New Brunswick, stating that the greater portion of the business part of the city has been destroyed by fire.

21st.—The Bank of Bengal has made a further reduction of 1 per cent. in its minimum rate to 7 per cent.

BANK MOVEMENTS.

The old-established banking firms of Messrs. Crompton, Newton, and Co., of Derby and Chesterfield, and Messrs. W. and S. Evans and Co., of Derby, have united their businesses, and formed them into a Joint-Stock Banking Company, under the style of Crompton and Evans' Union Bank (Limited). The old partners retain a large interest in the concern, and take an active part in the management of the business.

The London and South-Western Bank will open a new branch at Lower Norwood on the 4th inst. Pending the erection of premises business will be carried on at Thurlow-place.

A scheme has been agreed to by the directors of the Standard Bank of South Africa and the London and South African Bank, by which the former agrees to buy up the latter and take over its business. It will be remembered that the London and South African Bank had lately to reconstitute itself, owing to losses incurred, and this amalgamation may therefore be all the more advisable. Subjoined are the principal heads of this agreement, which will be submitted for the shareholders' approval:—"The Standard Bank to purchase from the London Bank of South Africa (Limited) the whole of the assets of the London and South African Bank, payment for the same to be made by the issue of 10,000 shares in the Standard Bank of £100 each, with £25 paid up, such shares to be entitled to one-third of the dividend to be declared for the half-year ending the 31st of December, 1877, and thenceforward to rank equally in respect of dividend with other shares in the Standard Bank—the above being at the rate of one Standard Bank share for two London and South African Bank shares. The assets of the London and South African Bank to be handed over to the Standard Bank on the 2nd of July, 1877, and the Standard Bank to discharge all liabilities of the London and South African Bank and of the London Bank of South Africa (Limited) at that date, and all other liabilities of the said banks arising by reason of or accruing in the course of winding up their affairs, and on the said 2nd of

July, 1877, scrip or share certificates to be handed over to the London Bank of South Africa (Limited)."

Messrs. Bacon, Cobbold & Co., Bankers, Ipswich, have the satisfaction of announcing to their friends that Mr. Thomas Clement Cobbold, M.P., and Mr. Nathanael Fromanteel Cobbold, Sons of their Partner, Mr. John Chevallier Cobbold, have this day been admitted members of their Firm, and that the business of the bank will be carried on under the same title as heretofore.

TENDERS FOR BILLS ON INDIA.

The tenders for £265,000 in bills and telegrams on India were received on the 30th May at the Bank of England. The amounts allotted were—To Calcutta, £152,500, at an average rate of 1s. 8.575d.; to Bombay, £100,000, at an average rate of 1s. 8.604d.; and to Madras, £1,000, at an average rate of 1s. 8.625d. Tenders on Calcutta for bills and telegrams at 1s. 8.9-16d. will receive in full, on Bombay for bills only at that price in full, nothing below.

The tenders for £265,000 in bills and telegrams on India were received on the 6th of June at the Bank of England, and, in addition to the amount advertised for tender, the unallotted balance of last week (£11,500) was also taken up, making a total of £276,500. The amounts allotted were—To Calcutta, £237,900, at an average rate of 1s. 8.58d.; and to Bombay, £38,600, at an average rate of 1s. 8.61d. Tenders on all Presidencies for telegrams at 1s. 8.9-16d. will receive about 17 per cent. Bills at that price and all above in full.

The tenders for £265,000 in bills and telegrams on India were received on 13th June at the Bank of England. The amounts allotted were—To Calcutta, £239,700, at an average rate of 1s. 8.57d.; and to Bombay, £25,300, at an average rate of 1s. 8.56d. Tenders on all Presidencies for bills only, at 1s. 8.9-16d. will receive about 15 per cent.; all above in full.

Tenders were received 20th June at the Bank of England for £265,000, in bills and telegrams on India. The amounts allotted were:—To Calcutta, £150,716; Bombay £100,000; and Madras, £14,283. Tenders on Calcutta and Madras at 1s. 8.9-16d. for telegrams will receive about 58 per cent., bills at that price and all above in full. On Bombay at that price for telegrams 50 per cent., bills at that price and all above in full.

MERCANTILE EMBARRASMENTS.

A statement of the affairs of Messrs. Alexander Barclay & Co., of Gothenburg, Sweden, a firm enjoying for many years good credit, has been submitted to the creditors. The assets amount to about £190,000 and the liabilities to £268,389. Of the largest foreign creditors three are in London and one at Liverpool, and their aggregate claims amount to about £60,000. Three Swedish banks are interested together to the extent of about £18,000. The amount of the outstanding acceptances is £123,000. The chief losses are understood to have been sustained through speculation in cotton in the years 1875 and 1876, and the difficulties thus occasioned were aggravated by a considerable portion of the capital of the firm being locked up in unremunerative Swedish enterprises.

The failure is announced of a small firm in the East India trade, named Ruttonjee & Co., and trading in Bombay as Ardeshir & Co. The liabilities are estimated at from £20,000 to £30,000, and the books are in the hands of Messrs. Cooper Brothers.

OBITUARY.

HOARE.—We regret to have to record the death, on 30th May, at Luscombe, Dawlish, at the age of 74, of Mr. Peter Richard Hoare, for many years the senior partner in the banking firm of Messrs. Hoare, Fleet-street. Mr. Hoare was lord of the manor of Dawlish, and owner of considerable property in several counties of England. He served as sheriff of Devon and was justice of the peace for the county.

Monetary Rebeeto.

WE observed last month, under this heading, that the war in the East had then exercised little perceptible influence on the money market here, and, so far as we have gone at present, the same remark might be repeated. The fact of the war and the possibility of complications arising out of it cannot, however, be ignored in any consideration of the future course of things. It is true that circumstances have lately tended in the direction of ease in the value of money, coin and notes have found their way into the Bank's coffers, and foreign money, as we thought would be the case, has come to us for employment here; thus a combination of circumstances work in the direction of lowering the present value of money, but we must not lose sight of the fact that the character of the war may at any moment be changed, and that greater demands for the sinews of war may spring up in various directions. The market is in a sensitive condition and so yields to small causes. One good reason for its being now more readily acted upon than hitherto appears to be the shortness of supply in the hands of dealers; though it must be concluded the supply is at all events equal to the present demand.

It is satisfactory to observe that the Board of Trade returns continue to show some improvement; there is an increase in May on both sides, whilst those of last year for the same month marked a decrease. Reports from New York speak of some substantial improvement in the general trade of the country. Though no very important results can at present be traced from these movements in trade and commerce, their effects, should they continue only gradual, will react upon the value of money in the future. The more immediate action seems to lie in the direction of loans. Some borrowers are coming forward now and many would follow readily enough if opportunity favoured them. Russia and Portugal are already to the front, and the requirements of India have to be provided for. In reference to the question of the reserve of gold; beyond the German Government gold coinage requirements lies the American resumption scheme to be worked out gradually, towards which end a beginning will, no doubt, shortly be made. Whilst the tendency of money in this market at present is towards lower rates, with the complicated requirements we have indicated liable to come into play upon it, the complexion of things may soon become altered, and under the circumstances it does not seem likely that the Bank would be in haste to lower its minimum rate of discount.

The Stock Markets at the beginning of the month continued to mark reaction from the previous heavy depreciation with which they had been visited. Various causes occurred to bring this into operation; the absence of political news of any importance promoted calmer action, and increased the desire on the part of opera-

tors to close their accounts for the fall, whilst the defaults of some of these operators led to increased eagerness in buying securities which they had failed to deliver. The occurrence of fourteen defaulters at the last settlement would be sufficient to account for a good deal of excitement in buying, in addition to the other causes at work in the same direction. Several of the markets were thus affected. Consols took a jump upwards of 1 per cent., and were maintained at a higher price in consequence of the lower value of money, and the scarcity of secure investments, whilst the same consideration applied to other English Government and Colonial securities. In the foreign market the rise has been principally re-actionary, and has resulted chiefly from the weakness of speculators for the fall. Beyond these markets, dulness was the main characteristic feature, which indicated that the public were but little concerned in the movements of the Stock Exchange. Early in the month rumours of peace arrangements were spread, and had the effect of keeping up prices of stocks in a measure. Egyptian securities were exceptionally good on the Government announcement of their policy with regard to the Suez Canal, and further by intelligence of provision being made in Egypt for the payment of the July coupons. English railways marked a rise also early in the month, based upon the improvement in the traffic returns, and the continuance of fine weather. Joint-Stock Bank shares rose in price, more particularly some of the Anglo-foreign banks. The settlement in the middle of the month was of a much tamer character than its predecessor, a nearer approach to equilibrium in the accounts having meantime been reached in stocks which have been most subjected to the manipulations of the speculators—Russian being the most important of these—and, when it was found that the scarcity disclosed at previous settlements no longer remained, a fall ensued, which became more decisive upon the reports of the issue of a new foreign loan for Russia. United States Government bonds improved upon the announcement of the issue there of 4 per cent. bonds, and the withdrawal of $4\frac{1}{2}$ per cents. Home Railways and Banks continue to mark favourably.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to the Proprietors, **Waterlow & Sons Limited, 25, Great Winchester Street, London,** who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1876.	£	£	%	£	£	£
Sept. 6	28,179,985	33,509,770	119	15,260,463	16,401,132	5,974,133
13	27,876,800	34,176,790	122	15,222,963	16,023,576	6,289,384
20	27,773,460	34,205,975	123	15,229,155	16,015,085	6,591,284
27	27,973,390	34,049,270	122	15,300,264	16,010,461	7,043,838
Oct. 4	29,249,745	34,127,760	117	15,712,817	15,906,720	6,383,517
11	29,095,750	33,514,385	115	18,202,925	16,018,786	6,181,234
18	28,961,050	32,712,360	113	17,802,925	16,107,468	5,422,087
25	28,541,080	32,775,515	114	17,202,926	16,162,097	5,543,444
Nov. 1	28,782,855	32,190,735	112	17,008,228	16,639,955	5,781,462
8	28,504,940	31,019,690	109	16,308,228	16,538,345	5,666,471
15	28,037,050	30,248,020	108	15,739,297	16,502,061	5,566,867
22	27,802,905	29,643,670	107	15,739,297	16,542,567	6,037,391
29	27,554,155	28,623,170	104	15,739,297	16,762,031	6,538,842
Dec. 6	27,612,925	28,544,460	103	15,832,797	17,102,566	6,398,081
13	27,196,160	28,199,140	104	15,833,004	17,017,236	7,231,822
20	27,460,980	28,082,925	102	15,934,208	17,083,627	7,785,933
27	27,898,255	27,810,945	100	15,968,653	17,618,852	8,173,488
1877.						
Jan. 3	28,622,775	27,533,430	96	15,969,162	19,582,320	6,203,440
10	28,302,820	27,351,155	96	18,766,486	17,516,675	4,373,157
17	28,037,420	26,484,920	94	18,267,876	17,676,106	3,955,536
24	27,638,950	26,319,380	95	17,317,876	17,762,841	4,101,623
31	27,592,885	26,650,241	97	16,367,876	17,732,917	4,837,165
Feb. 7	27,814,430	25,624,520	92	16,001,441	17,787,156	5,613,338
14	27,541,435	25,590,545	93	16,001,441	17,818,123	6,632,609
21	27,177,240	25,824,255	95	16,026,176	17,576,949	6,857,731
28	27,216,605	26,010,290	96	16,026,176	19,071,302	7,215,293
Mar. 7	27,347,790	25,510,290	93	15,988,176	19,049,118	8,295,675
14	27,058,190	25,554,275	94	15,998,532	19,103,570	8,695,941
21	26,961,195	25,495,540	94	16,002,035	19,344,179	8,883,936
28	27,982,640	25,742,035	92	15,502,035	23,766,279	11,680,029
April 4	28,412,165	25,283,790	89	15,308,096	22,854,102	9,916,041
11	28,566,345	25,081,145	88	15,319,338	19,514,925	6,835,131
18	28,415,030	25,175,295	88	15,329,901	19,490,216	6,457,402
25	28,385,390	24,835,320	88	15,329,901	19,269,702	6,473,216
May 2	29,077,985	24,228,650	83	15,340,207	20,482,345	6,315,550
9	28,546,885	23,972,650	84	15,348,494	19,646,733	6,638,594
16	28,479,010	23,981,900	84	15,364,904	19,365,162	6,577,403
23	28,065,055	24,000,705	85	15,364,904	19,347,395	6,415,539
30	27,955,420	24,021,990	86	15,364,904	19,082,728	6,523,808
June 6	28,035,185	24,444,240	87	15,214,859	19,379,635	7,243,548
13	27,729,660	24,332,340	89	15,214,859	18,663,592	7,914,651

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount.
1876.	£	£	£	£	%	
Sept. 6	28,003,701	440,828	34,418,662	20,987,257	61	2
13	28,271,987	419,640	34,981,011	21,967,897	63	—
20	28,284,981	370,618	35,246,883	22,244,069	63	—
27	27,517,747	357,924	34,919,509	21,851,251	63	—
Oct. 4	27,196,160	373,151	33,952,828	20,566,672	60	—
11	30,003,658	416,160	63,601,052	19,999,772	55	—
18	29,857,947	401,432	35,681,466	19,896,451	45	—
25	29,488,402	358,306	35,390,152	19,653,789	55	—
Nov. 1	29,103,020	366,409	35,250,891	19,218,686	54	—
8	27,393,442	369,778	33,429,691	18,200,927	54	—
15	26,542,056	380,328	21,489,051	17,870,258	55	—
22	25,914,347	360,080	32,311,818	17,653,891	54	—
29	24,916,197	348,338	31,803,377	16,902,034	53	—
Dec. 6	25,427,699	311,946	32,137,726	16,787,290	52	—
13	24,505,596	334,620	32,072,038	16,809,930	52	—
20	23,634,924	321,397	31,742,254	16,315,553	52	—
27	22,875,676	299,153	31,348,317	15,467,179	49	—
1877.						
Jan. 3	25,936,786	328,619	32,468,845	14,591,390	45	—
10	28,385,591	381,955	33,140,703	14,694,912	44	—
17	28,086,716	349,136	32,391,387	14,317,794	44	—
24	27,365,718	331,834	31,799,176	14,591,076	46	—
31	25,146,245	315,669	30,299,079	14,057,856	46	—
Feb. 7	23,520,174	329,031	29,462,543	13,562,473	46	—
14	22,890,468	297,860	29,820,937	13,896,824	47	—
21	23,152,710	280,370	30,290,811	14,581,064	48	—
28	24,039,409	258,794	31,613,496	14,704,822	47	—
Mar. 7	22,235,162	302,062	30,832,899	14,086,465	45	—
14	22,289,135	264,315	31,249,391	14,441,048	46	—
21	22,264,911	267,221	31,416,068	14,375,131	45	—
28	22,615,486	304,262	34,449,777	13,481,652	39	—
April 4	22,215,615	300,812	32,432,468	12,572,518	39	—
11	22,430,616	367,973	29,633,720	12,418,314	42	—
18	23,190,134	329,403	29,976,939	12,779,964	43	—
25	22,477,887	318,512	29,269,616	12,294,320	42	—
May 2	22,480,099	337,059	29,132,708	10,926,636	37	3
9	21,682,317	344,820	28,665,731	11,290,854	39	—
16	21,703,571	333,520	28,614,494	11,514,653	40	—
23	22,167,827	288,726	28,872,092	11,789,442	40	—
30	22,141,497	254,898	28,920,203	12,053,767	41	—
June 6	21,702,873	253,096	29,199,517	12,189,816	41	—
13	21,138,081	269,761	29,322,493	13,031,796	44	—

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

PUBLIC INCOME AND EXPENDITURE.

THE following are the receipts into and payment out of the Exchequer between April 1, 1877, and June 23, 1877 :—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1877-78.	Total Receipts into the Exche- quer from April 1, 1877, to June 23, 1877.	Total Receipts into the Exche- quer from April 1, 1876, to June 24, 1876.
Balance, April 1, 1877.	£	£	£
Bank of England	—	4,815,797	3,826,896
Bank of Ireland	—	1,172,853	1,292,691
		5,988,650	5,119,587
REVENUE.			
Customs	19,850,000	4,450,000	4,440,000
Excise	27,600,000	6,534,000	6,394,000
Stamps	10,920,000	2,610,000	2,588,000
Land Tax & House Duty	2,560,000	506,000	430,000
Property and Income Tax	5,540,000	969,000	610,000
Post Office	6,100,000	1,474,000	1,360,000
Telegraph Service	1,300,000	280,000	275,000
Crown Lands	410,000	83,000	62,000
Interest on advances for Local Works and on Purchase Money of Suez Canal Shares	949,000	238,058	154,745
Miscellaneous	3,891,000	644,948	831,237
Revenue	79,020,000	17,729,006	17,194,982
Total, including balance		23,717,656	22,314,569
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)		—	700,000
Advances under various Acts, repaid to Exchequer		361,166	406,671
Totals	£	24,078,822	23,420,240

EXPENDITURE AND OTHER PAYMENTS.

EXPENDITURE.	Estimate for the Financial Year 1877-78.	Total Issues out of Exchequer to meet Payments from April 1, 1877, to June 23, 1877.	Total Issues out of Exchequer to meet payments from April 1, 1876, to June 24, 1876.
	£	£	£
Permanent charge of Debt	28,000,000	6,488,749	6,515,830
Interest on Temporary Loans for Local Works, and Interest, &c., on Ex- chequer Bonds (Suez)	420,000	13,125	13,125
Other charges on Consolidated Fund	1,600,000	292,306	344,465
Supply Services	48,774,000	9,501,925	9,716,356
Estimate	78,794,000		
Expenditure		16,296,105	16,589,776
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		845,836	696,803
Exchequer Bills paid off		2,100	63,900
		17,144,041	17,350,479
Balances on June 23, 1877 :—			
Bank of England		6,156,659	5,278,994
Bank of Ireland		778,122	790,767
Totals	£	24,078,822	23,420,240

BANK OF FRANCE.

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DEBTOE.

	May 24.		May 31.		June 7.		June 14.		June 21.	
	F.	C.	F.	C.	F.	C.	F.	C.	F.	C.
Capital of the Bank ...	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54
Reserve of the Bank and its branches ...	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14
Reserve of landed property ...	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Special Reserve ...	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97
Notes in circulation ...	2,452,096,555	0	2,508,359,150	0	2,429,818,500	0	2,427,784,100	0	2,423,355,535	0
Bank-notes to order and receipts payable at sight ...	40,814,205	35	42,584,173	79	45,093,259	61	49,097,992	27	47,697,566	96
Treasury account current, creditor ...	96,549,983	3	87,281,857	38	64,682,111	97	64,873,514	48	70,557,904	85
Current accounts, Paris Do., branch banks ...	598,555,560	97	622,779,200	39	641,674,341	93	644,364,880	44	642,750,163	68
Dividends payable ...	41,979,867	0	45,034,238	0	45,965,168	0	39,890,703	0	42,895,321	0
Interest on securities transferred or deposited ...	1,279,696	0	1,232,530	0	1,183,670	0	1,166,080	0	1,114,236	0
Discounts and sundry interests ...	4,313,787	65	3,598,702	92	3,877,926	72	3,354,706	58	3,021,903	63
Re-discounted the last six months ...	7,924,921	76	8,163,521	45	8,395,363	38	8,973,387	37	9,480,125	66
Bills not disposable ...	1,662,127	11	1,662,127	11	1,662,127	11	1,662,127	11	1,662,127	11
Reserve for eventual losses on prolonged bills	1,779,462	80	1,700,321	62	2,450,310	81	2,323,414	14	7,415,635	84
Sundries ...	6,960,000	0	6,960,000	0	6,960,000	0	6,960,000	0	6,960,000	0
	14,305,695	2	14,284,273	13	14,325,021	2	14,298,911	82	14,315,238	52
Total ...	3,492,523,835	33	3,577,932,269	44	3,500,500,093	20	3,498,032,040	86	3,505,477,850	95

CREDITOR.

	May 24.		May 31.		June 7.		June 14.		June 21.	
	F.	C.	F.	C.	F.	C.	F.	C.	F.	C.
Cash in hand and in branch banks ...	2,246,896,390	33	2,265,982,037	96	2,278,135,841	4	2,271,539,178	89	2,276,564,538	96
Commercial bills overdue ...	100,974	69	385,912	3	146,793	3	86,617	51	723,093	69
Commercial bills discounted, not yet due	225,442,204	82	227,596,937	83	202,554,920	53	204,389,359	89	200,727,973	28
Treasury bonds ...	338,845,000	0	338,845,000	0	338,845,000	0	338,845,000	0	338,845,000	0
Commercial bills, branch banks ...	260,738,728	0	271,364,027	0	253,869,908	0	254,441,347	0	255,846,621	0
Advances on deposits of bullion ...	11,243,000	0	11,385,700	0	11,481,500	0	11,196,500	0	11,177,000	0
Do. in branch banks ...	3,233,800	0	3,519,300	0	3,837,100	0	4,064,600	0	4,544,400	0
Do. in French public securities ...	33,472,900	0	34,562,300	0	34,608,500	0	34,798,800	0	34,997,500	0
Do. by branch banks ...	24,748,850	0	24,950,650	0	25,299,650	0	25,724,660	0	26,173,350	0
Do. on railway shares and debentures ...	19,180,100	0	19,453,300	0	19,897,800	0	20,113,900	6	20,179,700	0
Do. by branch banks ...	15,045,600	0	14,901,400	0	15,098,900	0	15,511,700	0	15,732,300	0
Do. on Crédit Foncier bonds ...	1,504,700	0	1,511,800	0	1,485,300	0	1,469,800	0	1,483,200	0
Do. branches ...	838,300	0	831,600	0	878,700	0	833,800	0	907,600	0
Do. to the State (Convention June 10, 1867)	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0
Government stock reserve ...	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14
Do. disposable ...	76,313,613	83	76,313,613	82	76,313,613	82	76,313,613	82	76,313,613	82
Rentes Immobiliées (Law of June 9, 1867)	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
Hotel and furniture of the Bank, and landed property of branches	9,330,421	0	9,309,746	0	9,189,866	0	9,143,029	0	9,140,909	0
Expenses of management ...	2,495,172	17	3,028,046	47	3,064,111	61	3,117,291	66	3,131,667	62
Employ of the Special Reserve ...	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97	17,694,209	97
Sundries ...	33,414,120	39	33,315,638	32	35,227,629	6	35,678,092	98	36,273,803	47
Total ...	3,492,523,835	33	3,577,932,269	44	3,500,500,093	20	3,498,032,040	86	3,505,477,850	95

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1877. May 30.	1877. June 6.	1877. June 13.	1877. June 20.
	£	£	£	£
Notes issued	39,021,990	39,444,240	39,832,340	40,693,960
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion	24,021,990	24,444,240	24,832,340	25,693,960
Silver Bullion				
	39,021,990	39,444,240	39,832,340	40,693,960

BANKING DEPARTMENT.

	1877. May 30.	1877. June 6.	1877. June 13.	1877. June 20.
	£	£	£	£
Proprietors' capital	14,553,000	14,553,000	14,553,000	14,553,000
Reserve	3,038,196	3,031,793	3,034,754	3,036,806
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts)... ..	6,523,909	7,243,546	7,914,651	8,133,681
Other deposits	23,141,467	21,702,873	21,138,061	21,868,743
Seven day and other bills	354,999	263,096	269,761	257,035
	46,501,399	46,784,310	46,910,247	47,869,163
Government Securities	15,364,904	15,214,889	15,214,869	15,214,869
Other Securities	19,082,728	19,379,673	18,663,692	18,444,770
Notes... ..	11,066,570	11,408,055	12,102,680	13,287,690
Gold and Silver coin	987,197	780,781	929,116	931,874
	46,501,399	46,784,310	46,910,247	47,869,163

THE EXCHANGES.

	June 1.	June 8.	June 15.	June 22.
Amsterdam, short	13 2½	13 2½	13 2½	13 2½
Ditto 3 months	12 4½	13 4	13 4	13 4½
Rotterdam, ditto	12 4½	12 4	12 4	12 4½
Antwerp and Brussels, ditto	25 42½	25 42½	25 42½	25 42½
Paris, short	25 25	25 25	25 27½	25 27½
Ditto 3 months	25 37½	25 37½	25 37½	25 37½
Marseilles, ditto	25 37½	25 40	25 40	25 37½
Hamburg, ditto	20 73	20 73	20 70	20 69
Berlin, ditto	20 73	20 73	20 70	20 69
Leipsic, ditto	20 73	20 73	20 70	20 69
Frankfort-on-the-Main, ditto	20 73	20 71	20 70	20 69
Petersburgh, ditto	25 ½	25 ½	25 ½	25 ½
Copenhagen, ditto	18 60	18 60	18 60	18 60
Vienna, ditto	13 2½	12 80	12 80	12 97½
Trieste, ditto	13 2½	12 80	12 80	12 97½
Zurich and Basle, ditto	25 45	25 45	25 45	25 45
Madrid, ditto	47 ½	47 ½	47 ½	47 ½
Cadix, ditto	47 ½	47 ½	47 ½	47 ½
Seville, ditto	47 ½	47 ½	47 ½	47 ½
Barcelona, ditto	47 ½	47 ½	47 ½	47 ½
Malaga, ditto	47 ½	47 ½	47 ½	47 ½
Granada, ditto	47 ½	47 ½	47 ½	47 ½
Santander, ditto	47 ½	47 ½	47 ½	47 ½
Bilboa, ditto	47 ½	47 ½	47 ½	47 ½
Zaragoza, ditto	47 ½	47 ½	47 ½	47 ½
Genoa, Milan, Leghorn, ditto	28 42½	28 0	28 5	28 23½
Venice, ditto	28 42½	28 0	28 5	28 23½
Naples, ditto	28 42½	28 0	28 5	28 23½
Palermo and Messina, ditto	28 42½	28 0	28 5	28 23½
Lisbon, 90 days	51 ½	51 ½	51 ½	53
Oporto, ditto	51 ½	51 ½	51 ½	53
Rio Janeiro, 60 days	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 9	3 17 9	3 17 9	3 17 9
Mexican Dollars	0 4 6½	0 4 6½	0 4 6½	0 4 6½
Silver in Bars (Standard)	0 4 6½	0 4 6½	0 0 0	0 4 6½

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
"	207 Private Banks	5,158,407
"	72 Joint Stock Banks	3,495,446
Scotland—	12 Joint Stock Banks	3,087,209
Ireland—	6 Joint Stock Banks	6,354,494

£32,090,556

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£475,000
1861—July 10th	175,000
1866—Feb. 21st	850,000

1,000,000£33,090,556

Deduct Lapsed Issues—

England—	88 Private Banks	£1,345,415
"	20 Joint Stock Banks	907,895
Scotland—	1 Joint Stock Bank, combining two issues,	

namely:—

Ayrshire Bank	£58,656
Western Bank of Scotland	284,282

337,9382,591,248£30,499,308

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
"	*118 Private Banks	3,807,992
"	52 Joint Stock Banks	2,587,551
Scotland—	†11 Joint Stock Banks	2,749,271
Ireland—	6 Joint Stock Banks	6,354,494

£30,499,308

*NOTE.—The number of Private Banks authorized to issue their own notes in England, by the Act of 1844, was

207

Diminished in number by amalgamation

6

Lapsed Issues

88

94118

† The number of Banks authorized to issue their own notes in Scotland, by the Act of 1845, was

19

Diminished in number by amalgamation

6

Lapsed Issues, as stated above

2

11

ENGLISH FUNDS.

	Price on June 26.	Highest.	Lowest	Price on May 26.
Consols	94½	95½	98½	94½
Exchequer Bills	8/ pm.	9/ pm.	par.	8/ p.m.

Bank Rate of Discount 8 per cent. Digitized by Google

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 82; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		May 19.	May 26.	June 2.	June 9.
	£	£	£	£	£
1 Ashford Bank	11,849	10,261	9,955	10,008	10,660
2 Aylesbury Old Bank	48,461	20,372	20,541	20,652	20,514
3 Baldock and Biggleswade Bank	37,228	16,461	15,786	15,652	14,901
4 Barnstable Bank	17,182	3,490	3,545	3,415	3,175
5 Bedford Bank	34,218	27,472	27,006	25,516	25,701
6 Bicester and Oxfordshire Bank	27,090	13,255	13,415	13,136	12,918
7 Boston Bank—Garfit and Co.	75,069	65,350	60,986	56,125	53,806
8 Broseley and Bridgnorth Bank	26,717	12,049	12,095	11,558	11,564
9 Buckingham Bank	29,657	17,955	17,870	16,448	17,113
10 Bury and Suffolk Bank	82,362	34,374	34,828	35,080	34,150
11 Banbury Bank	43,457	21,873	21,184	20,838	20,359
12 Banbury Old Bank	55,153	19,962	19,874	19,625	20,347
13 Bedfordshire Leighton Buzzard Bk. .	36,829	30,360	31,049	30,096	29,508
14 Brecon Old Bank	68,271	29,244	29,303	28,968	29,616
15 Brighton Union Bank	33,794	20,454	20,175	20,310	20,595
16 Burlington and Driffield Bank	12,745	11,865	11,915	11,363	11,374
17 Bury St. Edmunds Bank	3,201	2,911	1,816	1,618	1,670
18 Cambridge Bank—Mortlock & Co. .	25,744	13,197	12,809	11,850	12,652
19 Cambridge and Cambridgeshire Bank	49,916	41,505	42,955	41,841	41,210
20 Canterbury Bank	33,671	18,459	17,967	17,499	17,710
21 Colchester Bank	25,082	11,170	11,088	10,720	11,026
22 Colchester and Essex Bank	48,704	24,125	24,180	23,812	23,681
23 Cornish Bank	49,869	22,699	22,361	22,578	22,159
24 City Bank, Exeter	21,527	12,010	11,774	11,485	11,465
25 Craven Bank—Birkbeck and Co.	77,154	75,426	74,880	72,460	71,868
26 Derby Bank—Messrs. Evans and Co. .	13,332	10,209	10,128	11,143	10,159
27 Derby Bank—Smith and Co.	41,304	26,139	25,570	25,186	23,574
28 Derby Old Bank	27,237	26,925	26,574	26,162	25,552
29 Devizes and Wiltshire Bank	20,674	5,000	4,768	4,672	4,910
30 Darlington Bank	86,218	86,677	86,935	81,675	79,805
31 Devonport Bank	10,664	4,799	4,815	4,322	3,843
32 Dorchester Old Bank	48,807	35,745	35,458	35,086	34,630
33 East Cornwall Bank	112,280	77,961	78,147	78,232	76,655
34 East Riding Bank	53,392	49,140	48,435	49,051	47,404
35 Essex Bk. and Bishop's Stortford Bk. .	69,637	34,402	34,679	34,387	34,300
36 Exeter Bank	87,894	14,294	14,062	13,740	14,062
37 Farnham Bank	14,202	4,668	5,058	4,942	5,016
38 Faversham Bank	6,681	4,619	4,215	4,001	4,510
39 Godalming Bank	6,322	5,912	5,778	5,692	5,937
40 Guildford Bank	14,524	10,792	10,491	10,848	10,965
41 Grantham Bank—Hardy and Co.	30,372	19,346	17,163	15,668	14,986
42 Hull and Kingston-upon-Hull Bank ..	19,979	17,902	17,220	16,745	17,520
43 Huntingdon Town and County Bank	56,591	21,082	18,365	17,255	17,051
44 Harwich Bank	5,778	3,844	3,848	4,049	4,107
45 Hertfordshire, Hitchin Bank	38,764	34,672	33,997	33,708	33,202
46 Ipswich Bank	21,901	15,691	15,340	15,014	14,778
47 Ipswich and Needham Market Bank .	80,699	41,761	42,009	42,324	40,859
48 Kentish Bank—Mercers and Co.	19,895	15,689	15,443	15,196	14,790
49 Kingston and Radnorshire Bank	26,050	20,948	20,741	19,094	17,907
50 Knaresborough Old Bank	21,825	20,974	20,760	20,485	19,770
51 Kendal Bank	44,668	42,988	43,022	41,915	40,870
52 Leeds Bank	180,757	125,379	122,947	120,167	117,665

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		May 19.	May 26.	June 2.	June 9.
	£	£	£	£	£
53 Leeds Union Bank	87,459	86,670	85,740	87,210	86,222
54 Leicester Bank	32,322	28,042	28,054	26,285	26,250
55 Lewes Old Bank	44,886	19,753	19,132	18,931	18,076
56 Lincoln Bank	100,842	108,045	101,117	93,053	86,896
57 Llandoverly Bank and Llandilo Bank	32,945	17,653	17,497	16,879	16,268
58 Loughborough Bank	7,359	7,060	7,150	6,859	7,119
59 Lynton Bank	5,038	2,200	2,201	2,170	2,460
60 Lynn Regis and Lincolnshire Bank	42,817	24,913	24,699	24,477	23,822
61 Lynn Regis and Norfolk Bank	13,917	8,406	8,545	8,189	8,415
62 Macclesfield Bank	15,760	9,444	8,944	8,853	8,507
63 Miners' Bank	18,688	12,378	11,766	11,309	11,450
64 Monmouth Old Bank	16,385	1,926	1,790	1,543	1,481
65 Newark Bank	28,788	11,033	9,965	8,259	7,182
66 Newark and Sleaford Bank	51,615	41,026	37,642	35,978	35,790
67 Newbury Bank	36,787	11,793	11,489	10,954	10,690
68 Newmarket Bank	23,098	13,913	14,857	14,956	14,689
69 Norwich and Norfolk Bank	105,519	76,781	74,626	74,162	74,942
70 Naval Bank, Plymouth	27,321	22,007	20,665	21,526	20,277
71 New Sarum Bank—Pinckney Bros.	15,659	3,649	3,511	3,300	3,330
72 Nottingham Bank	31,047	30,380	31,557	30,696	29,725
73 Oswestry Bank	18,471	8,142	8,146	7,810	7,724
74 Oxford Old Bank	34,391	30,589	29,666	29,291	29,218
75 Old Bank, Tonbridge	13,183	10,254	10,270	10,231	10,133
76 Oxfordshire Witney Bank	11,852	6,877	6,748	6,452	6,122
77 Pease's Old Bank, Hull	48,807	48,950	48,236	47,148	48,795
78 Penzance Bank	11,405	6,299	6,082	6,223	6,546
79 Reading Bank—Simonds and Co.	37,519	21,486	21,208	20,556	20,748
80 Reading Bk.—Stephens, Blandy & Co.	43,271	25,021	24,987	24,669	24,091
81 Richmond Bank, Yorkshire	6,889	6,951	6,540	6,725	6,687
82 Royston Bank	16,393	7,945	8,116	7,691	7,164
83 Rye Bank	29,864	7,691	7,656	7,583	7,761
84 Saffron Walden and North Essex Bk.	47,646	18,423	17,999	17,563	17,573
85 Salop Bank	22,388	3,725	3,957	3,702	3,673
86 Scarborough Old Bank	24,813	24,330	24,245	23,709	24,195
87 Shrewsbury Old Bank	43,191	24,020	23,662	21,978	21,546
88 Sittingbourne and Milton Bank	4,789	1,307	1,230	1,184	1,288
89 Southampton Town and County Bank	25,359	8,250	7,885	7,702	7,801
90 Stamford and Rutland Bank	31,858	10,763	10,459	9,882	9,808
91 Shrewsbury and Welchpool Bank	25,336	20,016	18,880	19,122	18,905
92 Tavistock Bank	13,421	11,535	11,195	11,200	10,819
93 Thornbury Bank	10,026	5,672	5,573	5,877	5,937
94 Tiverton and Devonshire Bank	13,470	5,610	5,217	5,046	5,239
95 Thrapstone and Kettering Bank	11,559	8,949	8,637	8,474	8,562
96 Tring Bank and Chesham Bank	13,531	13,077	12,818	12,683	12,917
97 Towcester Old Bank	10,801	5,398	4,887	5,206	5,362
98 Union Bank, Cornwall	17,003	4,136	3,921	3,944	4,221
99 Uxbridge Old Bank	25,136	5,825	5,352	5,357	5,289
100 Wallingford Bank	17,064	3,382	3,366	3,412	3,320
101 Warwick and Warwickshire Bank ..	30,504	22,419	22,364	21,919	21,945
102 Wellington Somerset Bank	6,528	2,440	2,423	2,347	2,386
103 West Riding Bank	46,158	40,917	40,802	40,417	39,585
104 Whitby Old Bank	14,258	12,635	12,439	11,648	11,741
105 Winchester, Alresford and Alton Bk.	25,892	8,055	8,000	7,880	7,578
106 Weymouth Old Bank	16,461	11,538	11,434	11,428	11,180
107 Wisbech and Lincolnshire Bank	59,713	29,401	29,064	28,558	28,074
108 Wiveliscombe Bank	7,602	1,525	1,482	1,490	1,370
109 Worcester Old Bank	37,448	38,400	38,975	39,170	39,205
110 Yarmouth and Suffolk Bank	53,060	33,582	33,860	33,578	34,048
111 Yarmouth, Norfolk, and Suffolk Bank ..	18,229	9,846	9,478	9,252	9,064
112 York Bank	46,387	37,515	36,146	35,001	33,776

JOINT STOCK BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		May 19.	May 28.	June 2.	June 9.
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	11,897	11,577	11,410	10,980
2 Barnsley Banking Company.....	9,563	8,491	8,633	8,128	8,120
3 Bradford Banking Company	49,292	46,570	46,632	45,953	46,611
4 Bank of Whitehaven	32,681	30,776	29,895	28,845	27,217
5 Bradford Commercial Banking Co. ..	20,084	20,164	20,236	19,409	18,268
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	47,160	46,100	45,907	43,016
7 Chesterfield & N. Derbyshire Bk. Co..	10,421	9,598	9,525	9,226	8,783
8 Cumberland Union Banking Co.....	35,395	37,861	39,211	31,918	31,711
9 Coventry and Warwickshire Bk. Co... ..	28,734	14,594	14,197	14,406	13,476
10 Coventry Union Banking Company ..	16,251	13,750	13,900	13,760	14,045
11 County of Gloucester Banking Co.....	144,352	85,635	84,859	83,545	82,437
12 Carlisle and Cumberland Banking Co.	25,610	26,656	26,682	24,388	21,556
13 Carlisle City and District Bank	19,972	20,151	19,628	19,385	19,811
14 County of Stafford Bank	9,418	7,561	7,420	7,247	7,009
15 Derby and Derbyshire Banking Co. ..	20,098	17,946	18,467	18,138	18,347
16 Darlington District Joint Stock Bk. Co.	26,134	28,755	27,039	23,873	22,149
17 Gloucestershire Banking Company ..	155,920	137,246	136,721	134,521	131,166
18 Halifax Joint Stock Bank.....	18,534	18,086	18,315	18,429	18,265
19 Huddersfield Banking Company.....	87,354	38,402	37,274	37,100	35,164
20 Hull Banking Company	29,333	29,602	29,747	28,992	27,528
21 Halifax Commercial Banking Co.	13,733	10,463	11,009	10,639	10,445
22 Halifax and Huddersfield Union Bank	44,137	34,836	33,162	31,238	30,520
23 Knaresborough and Claro Banking Co.	28,059	27,730	27,085	26,845	26,801
24 Lancaster Banking Company	64,311	62,635	61,664	59,024	57,117
25 Leicestershire Banking Company	86,060	73,785	71,066	69,515	66,177
26 Lincoln and Lindsey Banking Co.....	51,620	56,854	48,091	42,074	40,770
27 Leamington Priors and Warwickshire Banking Company	13,875	12,253	11,814	11,545	11,836
28 Ludlow and Tenbury Bank	10,215	9,587	9,139	9,435	9,445
29 Moore and Robinson's Notts. Bkg. Co.	35,313	36,231	35,049	34,606	35,092
30 Nottingham and Notts. Banking Co... ..	29,477	28,686	27,420	27,544	28,895
31 Northamptonshire Union Bank	84,356	65,584	63,533	61,514	61,175
32 Northamptonshire Banking Company	26,401	18,651	18,490	18,465	17,308
33 North and South Wales Bank.....	63,951	61,478	59,671	58,224	56,509
34 Pares's Leicestershire Banking Co. ..	59,300	55,685	54,033	52,643	50,330
35 Sheffield Banking Company	35,843	25,710	25,702	26,040	26,375
36 Stamford, Spalding & Boston Bk. Co.	55,721	53,038	49,036	46,440	44,823
37 Stuckey's Banking Company	356,976	306,884	299,643	293,304	289,735
38 Stourbridge & Kidderminster Bkg. Co.	56,830	46,990	45,868	44,779	44,205
39 Sheffield and Hallamshire Bkg. Co.	23,524	23,825	22,870	22,523	22,463
40 Sheffield & Rotherham Joint Stock Bk.	52,496	50,946	50,122	48,966	47,716
41 Swalodale and Wensleydale Bkg. Co. ..	54,372	53,742	52,618	52,259	51,809
42 Wolverhampton and Staffordshire Bk.	35,878	16,436	16,449	15,746	15,948
43 Wakefield and Barnsley Union Bank..	14,604	13,980	13,805	13,975	13,724
44 Whitehaven Joint Stock Bkg. Co.	31,916	30,904	29,885	28,830	27,703
45 West of Eng. & S. Wales District Bk.	88,585	74,141	73,308	73,577	72,553
46 Wilts and Dorset Banking Company..	76,162	74,948	69,360	68,377	68,612
47 West Riding Union Banking Company	34,029	33,594	32,810	32,698	33,425
48 Whitechurch and Ellesmere Bk. Co. ..	7,475	4,367	4,340	4,750	4,085
49 Worcester City and County Bk. Co.	6,848	2,216	1,491	1,585	1,333
50 York Union Banking Co.....	71,240	69,217	68,229	67,686	65,436
51 York City and County Banking Co.	94,695	87,798	83,490	83,483	87,643
52 Yorkshire Banking Company	122,532	120,633	119,249	116,194	117,000

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 9th June, 1877.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland	3,788,428	1,984,400	1,158,925	3,098,325	525,181
Provincial Bank of Ireland	927,667	478,958	384,656	868,613	866,185
Belfast Bank	281,611	211,942	296,414	508,357	323,965
Northern Bank	213,440	223,666	297,142	520,809	394,029
Ulster Bank	311,079	410,710	377,769	788,479	620,786
The National Bank	852,269	693,987	597,720	1,497,707	399,755
TOTALS (Irish Banks)....	6,854,494	4,169,663	3,112,625	7,272,290	3,129,851

SCOTCH BANKS.

Bank of Scotland	343,418	270,972	516,964	787,936	545,678
Royal Bank of Scotland	216,451	818,620	519,899	833,519	701,800
British Linen Company	438,024	210,546	414,633	625,179	246,646
Commercial Bank of Scotland..	874,880	289,966	605,859	895,825	614,583
National Bank of Scotland	297,024	229,312	456,704	686,017	467,382
Union Bank of Scotland	454,346	319,618	565,593	885,206	564,953
Aberdeen Town & County Bank	70,133	133,631	134,926	268,557	216,923
North of Scotland Banking Co..	154,819	223,912	198,664	422,577	306,254
Clydesdale Banking Company..	274,821	241,020	362,361	623,381	414,680
City of Glasgow Bank	72,921	255,890	444,707	700,597	678,006
Caledonian Banking Company ..	53,434	50,761	87,574	138,335	98,622
TOTALS (Scotch Banks)....	2,749,271	2,589,243	4,327,884	6,367,129	4,855,526

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING JUNE 9th, 1877.**

	Fixed Issues.	May 19.	May 26.	June 2.	June 9.
	£	£	£	£	£
118 Private Banks	3,807,992	2,443,510	2,399,510	2,341,605	2,309,796
52 Joint-Stock Banks	2,587,651	2,292,428	2,233,549	2,184,048	2,142,931
165 Totals	6,395,643	4,735,938	4,633,059	4,525,653	4,452,727

Average Weekly Circulation of these Banks for the month ending June 9, 1877:—

Private Banks	£2,373,605
Joint-Stock Banks	£2,213,239

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,586,844

On comparing these amounts with the Returns for the month ending May 12th last, they show:—

<i>A decrease in the notes of Private Banks, of</i>	<i>£103,663</i>
<i>A decrease in the notes of Joint-Stock Banks, of</i>	<i>104,269</i>

Total decrease on the month £206,931

And, as compared with the month ending June 10th, 1876:—

<i>A decrease in the notes of Private Banks, of</i>	<i>£77,310</i>
<i>A decrease in the notes of Joint-Stock Banks, of</i>	<i>53,948</i>

Total decrease as compared with the same period of last year £131,258

The following is the comparative state of the circulation as regards the fixed issues:—

<i>The Private Banks are below their fixed issues</i>	<i>£1,434,387</i>
<i>The Joint-Stock Banks are below their fixed issues</i>	<i>374,312</i>

Total below their fixed issues £1,808,699

SUMMARY OF IRISH AND SCOTCH RETURNS TO JUNE 9th, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

<i>Average Circulation of the Irish Banks</i>	<i>£7,373,390</i>
<i>Average Circulation of the Scotch Banks</i>	<i>6,867,129</i>

Total Average Circulation of these Banks for the past month £14,139,419

On comparing these amounts with the Returns for the month ending 12th May last, they show—

<i>Decrease in the Circulation of Irish Banks</i>	<i>£246,976</i>
<i>Increase in the Circulation of Scotch Banks</i>	<i>815,579</i>

Total increase on the month £568,603

And as compared with the month ending June 10th, 1876, they show—

<i>Decrease in the Circulation of Irish Banks</i>	<i>£98,846</i>
<i>Increase in the Circulation of Scotch Banks</i>	<i>104,204</i>

Total increase as compared with the same period of last year £5,258

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Dankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	26,354,494
11 Banks in Scotland, allowed to issue	2,749,271
17 Banks in all, allowed to issue	29,103,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	2917,796
Scotch Banks are above their fixed issue	4,117,858

Total above the fixed issue	£5,035,654
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	£3,129,851
Gold and Silver held by the Scotch Banks	4,855,526

Total of Gold and Silver Coin	£7,985,377
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Being a decrease of £22,952 on the part of the Irish Banks, and an increase of £565,972 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO JUNE 9th, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	June 9.	May 12.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 6th June)	28,133,667	28,606,322	..	472,655
Private Banks	2,378,605	2,476,167	..	102,562
Joint-Stock Banks	2,213,239	2,317,508	..	104,269
Total in England	32,720,511	33,399,997	..	679,486
Scotland	6,867,129	6,051,550	815,579	..
Ireland	7,272,290	7,519,266	..	246,976
United Kingdom	46,859,930	46,970,813	815,579	926,462

The comparison of the month ending June 10th, 1876, with the month ending June 9th, 1877, shows an increase in the Bank of England circulation of £421,117, a decrease in Private Banks of £77,310, and a decrease in Joint-Stock Banks of £58,948, being a total increase in England of £289,859, while in Scotland there is an increase of £104,204; and in Ireland a decrease of £98,846. Thus showing that the month ending the 9th June, as compared with the same period last year, presents an increase of £289,859 in England, and an increase of £295,217 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending June 6th gives an average amount in both departments of £25,020,587. On a comparison of this with the Return for the previous month, there appears to be a decrease of £418,679; and a decrease of £2,206,519 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending June 9th, was £7,985,377; being an increase of £543,020, as compared with the Return of the previous month, and an increase of £84,664, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share	NAME.	Paid.	London latest Price.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	11
Feb. Aug.	6 "	25	Alliance, Limited	10	130
Jan. July	" "	2000.	Anglo-Austrian	1200.	54
Mar. Sep.	10 p. ct.	30	Anglo-Californian, Limited	10	
May Nov.	" "	30	Anglo-Egyptian Banking, Limited	all	134
April Oct.	4 p. ct.	30	Anglo-Foreign Banking, Limited	10	
" "	" "	1000.	Anglo-Hungarian	all	
Feb. Aug.	5 "	30	Anglo-Italian, 1866, Limited	10	
Mar. Sep.	12 1/2 "	40	Bank of Australasia	all	77 1/2
April Oct.	7 1/2 "	30	Bank of British Columbia	all	
" "	7 1/2 "	20	Ditto New, issued at 42 pm.	10	
Jan. July	6 "	10	Bank of Constantinople	6	
Feb. Aug.	10 "	25	Bank of Egypt	all	
" "	12 "	Stk.	Bank of Ireland	100	
Jun. Dec.	5 "	30	Bank of Roumania	8	
Jan. July	10 "	25	Bank of South Australia	all	47
April Oct.	12 "	60	Bank of Victoria, Australia	25	
May Nov.	15 "	10	Bank of New Zealand	all	23 1/2
" "	5 "	50	British North American	all	58 1/2
Feb. Aug.	8 "	10	Central of London, Limited	5	
April Oct.	6 "	20	Chartered of India, Australia, and China	all	
" "	8 "	25	Chartered Merc. of India, London and China	all	
Jan. July	8 "	20	City	10	15
" "	14 "	100	Colonial	30	50 1/2
April Oct.	5 "	6	Commercial Bank of Alexandria, Limited	3	
Jan. July	10 "	10	Consolidated, Limited	4	7 1/2
April Oct.	4 1/2 "	25	Delhi and London, Limited	all	
May Nov.	10 "	20	English Bank of Rio de Janeiro, Limited	10	12
Feb. Aug.	8 "	30	English, Scottish, and Australian Chartered	all	
" "	" "	20	Franco-Egyptian, issued at 5 pm.	10	
Mar. Sep.	6 "	25 1/2	Hong Kong and Shanghai Bank Corporation	all	
Jan. July	6 "	50	Imperial, Limited	15	
" "	" "	20	Imperial Ottoman	10	34
April Oct.	8 "	25	Ionian	all	
" "	8 "	25	Ditto, New	10	
May Nov.	2 1/2 "	30	Land Mortgage Bank of India, Limited	5	14
Jan. July	5 p. ct.	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	
Mar. Sep.	" "	30	London Bank of Mexico & South America, Lim.	20	
" "	6 "	30	Ditto, New	10	
Jun. Dec.	8 "	20	London Chartered of Australia	all	
Feb. Aug.	16 "	50	London and County	20	63 1/2
" "	16 "	50	Ditto, New, 1874, iss. at 10 pm.	20	
Jan. July	15 "	50	London Joint Stock	15	48 1/2
Feb. Aug.	12 1/2 "	10	London and Provincial, Limited	5	11 1/2
Jun. Dec.	5 "	100	London and River Plate, Limited	40	
" "	5 "	25	Ditto, New	10	
Mar. Sep.	8 "	10	London and San Francisco, Limited	all	
May Nov.	" "	20	London and South African	all	15
Feb. Aug.	8 "	100	London and South Western, Limited	20	
" "	14 "	100	London and Westminster	20	64 1/2
April Oct.	10 "	30	Mercantile Bank of the River Plate, Limited	all	
Mar. Sep.	12 "	100	Merchant, Limited	25	
Jan. July	8 "	10	Metropolitan A } B receives no dividend until {	all	
" "	" "	10	Ditto } B } 10 per ct. has been paid to A {	all	
" "	8 "	10	Ditto, New, A	1 1/2	
Feb. Aug.	8 "	100	Midland, Limited	20	
" "	12 "	50	National	30	
Jun. Dec.	12 1/2 "	5	National of Australasia	4	
Feb. Aug.	6 13/4 p. ct.	25	National of Liverpool, Limited	15	
Jan. July	6 "	10	National of New Zealand, Limited	3 1/2	
Jun. Dec.	20 "	50	National Provincial of England	21	
" "	20 "	20	Ditto, ditto	12	52 1/2
" "	20 "	30	Ditto, New, 1874, iss. at \$10 prem.	10	
April Oct.	5 "	20	New London and Brazilian, Limited	10	7 1/2
May Nov.	17 1/2 "	20	New South Wales	all	57 1/2
Feb. Aug.	4 3/4 "	20	North Eastern, Lim., iss. at 2 pm., already paid	6	
Feb. Aug.	8 "	24	North Western	7 1/2	
April Oct.	10 "	25	Oriental Bank Corporation	all	44
Jan. July	15 "	100	Provincial of Ireland	25	
" "	15 "	10	Ditto, New	all	
May Nov.	12 "	100	Standard of British South Africa, Limited	25	25 1/2
Jan. July	16 "	25	Union of Australia	all	63 1/2
" "	12 1/2 "	50	Union of London	15 1/2	48 1/2

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

AUGUST, 1877.

POST OFFICE MONEY ORDER SYSTEM.

It has been well known for some time past that the money order system of the Post Office in the United Kingdom was carried on at a loss. A return which we printed last year* showed that the Post Office had experienced a loss on the working of this branch of their business for 1875, and that if the department had not carried to the credit of "profit and loss" for that year a considerable sum derived from lapsed money orders, the accounts would have shown a considerable deficiency. To consider a sum derived from such a source as "profit," is not a plan which any person carrying on any kind of business with which we are acquainted would follow, and it is at all events to be supposed that the office was fully satisfied that no further claim could arise on these "forfeited orders" before proceeding to treat their proceeds as revenue. It was, perhaps, only to be expected that the Post Office should have deliberated over the means for avoiding a loss on this part of their business for the future, and a committee of enquiry was appointed by the Treasury for the purpose. The report of this committee recommends the obvious course of raising the rate of commission charged on the smaller sums. This was a natural and obvious thing to do. When any person finds that he is carrying on his business at a loss, and further that he cannot reduce the expenses necessarily incurred in carrying that business on, his right course is to raise his charges, unless he is satisfied that it will be better to relinquish that part of his business. The committee

* See "Bankers' Magazine" for November, 1876, page 969.

have, however, besides this, recommended that a different and new class of "money orders," to be called "postal notes," should be issued. The reason for recommending this change is as follows: Great part of the expense of working the present system of "money orders" arises from the number of entries which have to be made and of advices which have to be given. "John Smith," living at Brecon, desires to remit 2s. 3d. to "William Edwards," living at York. The names of the remitter and of the payee have to be advised to the office where the money is to be received, besides entries forwarded to the Receiver and Accountant-General's Office, and other subsidiary entries. It is easy to see that this system must cause considerable expense, and it is not surprising that the estimated cost of an inland Post Office order is 3d., although the business is transacted free of postage or stamp duty. There is hence a loss under the present system on orders for sums under £1; orders for £1 and under £2 exactly pay their expenses; and it would appear that the profit on the larger sums is not sufficient to meet the loss on the smaller ones. Hence, with a view of saving expense to the Post Office, the committee resolved to recommend an issue of postal notes, and, as the subject is an important one, we reprint the paragraph of their report respecting it. It will be seen from it that the committee declined to assist forward one scheme of postal notes, prepared by Mr. Chetwynd, which was laid before them, "which, however, appears from the statement in the appendix to be exactly on a level, as far as security to the public was concerned, with the scheme which the committee thus recommend." They were, however, prepared to recommend the plan which follows:—

POSTAL NOTES.

"The Committee have had some hesitation in arriving at a definite opinion on the scheme of postal notes proposed by Mr. Chetwynd, the Receiver and Accountant-General of the Post Office, because officers of great practical experience have insisted, with much show of reason, not only that the postal note as a remitting medium would be less secure than the money order, but that if it should come largely into circulation it would tend to increase letter stealing, and to the consequent demoralisation of Post Office servants.

It is also urged that if stolen or lost the proper owner would have no redress.

The Committee think that these objections may be removed by giving to the holder of a note the power of filling in the name of the person to whom, and of the money order office at which, he wishes payment to be made; a note so "localised" would only be paid at the office indicated thereon. They would also recommend that every note, whether made nominal or not, should bear the endorsement of the presenter. These precautions would, in the opinion of the Committee, sufficiently protect the public, while the comparatively small sums for which these notes would

be issued, at any rate for the present, would offer but slight temptation to theft.

It might, however, be a matter for consideration whether lost postal notes might not be replaced under some such conditions as those applied in the case of void money orders, and which might hereafter be determined.

The Committee subjoin a pattern of the "Post Office Note" which they recommend for adoption :—

	Post Office Note. <i>To the POSTMASTER in charge of the</i> MONEY ORDER OFFICE at* _____	ABERGAVERNNY B 0001
PAY TO* _____, at any time within Twelve Months from the month of issue, the Sum of FIVE SHILLINGS, on Account of HER MAJESTY'S POSTMASTER-GENERAL.		
Paying Office Stamp. Cancelling this Note.	Five Shillings. Postmaster.	Issuing Office Stamp.

* The Holder of this Note may fill in the Name of the Person to whom, and the Money Order Office at which, he wishes the Amount to be paid, and the person so named must sign his name on the back hereof. If the blanks be not filled up, the Amount will be paid to the Signature of the Bearer at any Money Order Office in the United Kingdom.

- 1.—If the Note be crossed "**& Co.**" payment will only be made through a Banker.
- 2.—After once paying this Note, by whomsoever presented, the Postmaster-General will not be liable for any further claim.

The Committee are of opinion that the postal note as a remitting medium would be safer than postage stamps, and more convenient than a money order, and that it will supply a public want, and there can be no doubt that to thousands of persons residing in places where there are no money order offices it will be a great boon."

Now, with regard to this scheme, the following remarks are obvious :—

That the economy to the Post Office is gained at the risk of the remitter of the money.

That the "endorsement of the presenter" is a very slight protection against fraud.

That the fact, mentioned by the Committee in their report, that "the comparatively small sums for which these notes would be issued, at any rate for the present, would offer but slight temptation to theft" is really no part of the question, as there is nothing to hinder any person from enclosing 10 or 15 "notes" of £1 each in any single letter.

The last observation renders it desirable to state the rates of

commission which the Committee propose, which are given in the following paragraph taken from the Report :

"The Committee recommend, therefore, that the rates should be fixed at 1d. for notes under 10s., and 2d. for notes of 10s. and not exceeding £1.

"This arrangement will in no way conflict with the money order rates : thus,

"For sums under 10s. the charge would be	{	For a postal note, 1d.
		For a money order, 2d.
"For sums of 10s. and not above £1 ...	{	For a postal note, 2d.
		For a money order, 3d."

A smaller charge is thus proposed on "Postal Notes," as compared with "Post Office Orders," and it may be expected that they will be preferred by many to "Post Office Orders." Whether the Post Office will reap any benefit from the proposed plan can only be tested if it comes into actual operation. Should "Postal Notes" be frequently paid by one person to another, or remitted to one person from another, it is obvious that the Post Office will lose the commission on each remittance which it otherwise might have gained, and the trifling amount of interest to be gained on transactions of this nature will be very far from making up the difference. But it is much to be desired that the scheme should not proceed further. It is clear, from the observations of the Committee themselves, that the proposed "Postal Notes" will afford far less security to the public than the existing system of orders. On that ground alone the plan is not a desirable one. To increase the opportunities of fraud merely for the chance of a slight economy in the working of a public office can hardly be an advantage to the public at large. If the Post Office cannot effect the remittance of small sums without experiencing a loss, its obvious duty is to raise the charges on the business done, or to leave it alone. Remitting sums of money from one place to another is a regular part of banking business, and it is not desirable that the Government should interfere further with it than is done at present.

Beyond this lies the most objectionable part of the matter : the scheme of issuing "Postal Notes" is only to propose an issue of Government small notes under another name—in this case apparently without any special reserve, or any of the safeguards under which only a note issue should be undertaken. That there is an expectation that the Postal Notes will obtain a distinct circulation is clear from the Bill introduced on the subject by the Government, which we subjoin. The Schedule of Acts proposed to be repealed in the interests of the Post Office includes, it will be observed, the Acts under which the issue of notes under £5 is at present prohibited in England. To relax this provision appears unadvisable, as there are no

advantages likely to be gained from such an issue of notes by any means sufficient to counterbalance the great disadvantages connected with them. If it is not, as we believe it is not, desirable to issue notes as small in amount as the "unit of the currency," it must certainly be even less desirable to issue any notes of a smaller denomination.

MONEY ORDERS.

"A Bill to amend the law with respect to Money Orders granted or issued by or under the authority of the Postmaster-General.

"Whereas it is expedient that the Postmaster-General should be able to issue money orders capable of being cashed with greater facility than those which are at present issued, and doubts are entertained whether the enactments mentioned in the schedule to this Act, or some of them, will apply to such orders, and it is expedient to remove such doubts:

"Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

"1. This Act may be cited as the Post Office (Money Orders) Act, 1877.

"2. The Acts mentioned in the schedule to this Act, and the enactments relating to stamp duties, shall not, nor shall any of them, apply to any money orders granted or issued by or under the authority of the Postmaster-General, whether such orders be called money orders, postal orders, post office notes, post office bills, postal cheques, or by any other name.

"SCHEDULE.

A.D. 1877.

ACTS REFERRED TO.

Session and Chapter:

Title.

- | | |
|------------------------|---|
| 17 Geo. 3, c. 30..... | An Act for further restraining the Negotiation of Promissory Notes and Inland Bills of Exchange under a Limited Sum within that part of Great Britain called England. |
| 48 Geo. 3, c. 88..... | An Act to restrain the Negotiation of Promissory Notes and Inland Bills of Exchange under a Limited Sum in England. |
| 7 Geo. 4, c. 6..... | An Act to limit and, after a certain period, to prohibit the issuing of Promissory Notes under a Limited Sum in England. |
| 7 & 8 Vict. c. 32..... | An Act to regulate the issue of Bank Notes, and for giving to the Governor and Company of the Bank of England certain Privileges for a Limited Period." |

EXAMINATIONS CONNECTED WITH BANKING IN ENGLAND AND SCOTLAND.

EXAMINATIONS have recently been held in practical subjects relating to banking in connection with the "Gilbart Lectures" in London and the "Institute of Bankers" in Scotland. We have pleasure in publishing the lists of successful candidates at

both these examinations. Some of the questions set have been in our hands; and they seem to us well adapted for testing the knowledge and capacity of the candidates.

The fact that a considerable number of those employed in our banks should have taken the pains to qualify themselves for passing these examinations is, in itself, a very encouraging thing. A day's work in any bank, and especially in the larger offices, means a day's real work; and the fact that so many men should be found willing, after the exhaustion and toil of a hard day, to turn to again and apply themselves to study, for the sake of self-improvement, shows a zeal in the cause of learning, worthy of all commendation. The gradual growth of cultivation and intelligence, which preparation for these examinations must induce, cannot fail, in the long run, to have a beneficial interest on all concerned.

The following extract from the report of the Scotch Institute of Bankers shows the progress made in that direction:—"It has been stated that the results of the past year are satisfactory and encouraging; but it must be distinctly recognised, that the objects of the Institute—viz., the improvement and elevation in status and influence of those engaged in Banking—are of a nature precluding the possibility of any remarkable effects being rapidly manifested. The growth of intelligence in any large body of men must necessarily be rather slow than sudden. Some years of steady effort must elapse before it can be possible to show that the Institute has gained the end in view, by securing a higher culture and tone in those among whom its operations are brought to bear. The Council, however, can confidently state, that the response to the efforts already made is amply sufficient to prove that the Institute is not unneeded, but is the product of a felt want. The largeness of the number coming forward as candidates for admission as Members and Associates, and still more, the care with which questions in the examination papers have been answered, are significant facts, and point, in the opinion of the Council, to a career of success for the Institute."

GILBART LECTURES ON BANKING, 1877.

The contributors to the prize fund are:

The Trustees under the Will of the late Mr. Gilbert.
The London and Westminster Bank.
The National Provincial Bank of England.
The Chartered Mercantile Bank of England.

The Birkbeck Bank.
Messrs. Glyn, Mills & Co.
The Bank of British North America.
The Hong Kong and Shanghai Banking Corporation.
The West London Commercial Bank.
W. T. Newmarch, Esq.

One hundred and five students presented themselves for

examination, being nine from the evening classes of King's College, and ninety-six from the following banks:

Deutsche Bank	1	Union Bank of Australia ..	1
Bank of England	6	Chartered Mercantile Bank of	
London and County Bank ..	10	India	3
National Provincial Bank of		London and Provincial Bank ..	1
England	6	Messrs. Barclay & Co. ..	1
London and Westminster Bank	6	 Martin & Co. ..	1
London Joint-Stock Bank ..	2	 Glyn, Mills & Co. ..	13
Hong Kong and Shanghai Bank-		 Roberts, Lubbock & Co. ..	2
ing Corporation	5	 Richardson & Co. ..	1
Bank of British North America	3	 Brooks	1
Oriental Bank Corporation ..	1	 Barnett, Hoares & Co. ..	1
National Bank	4	 Smith, Payne & Co. ..	6
City Bank	2	West London Commercial Bank	1
Australian Joint-Stock Bank ..	1	Central Bank of London ..	1
Bank of South Australia ..	2	London and Yorkshire Bank ..	1
London and South-Western Bank	2	Bank of Roumania	1
Bank of Belgium and Holland ..	1	Birkbeck Bank	5
Anglo-Foreign Banking Co. ..	1	Consolidated Bank	1
General Credit and Discount Co.	1	National Discount Co.	1

The results of the examination were as follows:

PRIZES IN BOOKS.

Field, William	£8	Bank of South Australia.
Craighead, Robert William ..	6	King's College, London.
Easton, Harry Tucker	5	Messrs. Smith, Payne & Smiths.
Wemyss, Alexander	4	Oriental Banking Corporation.
Schmidt, Hermann	3	Anglo-Foreign Banking Co.
Thomas, William Henry	3	National Bank.
Stevenson, Albert	3	Messrs. Brooks & Co.
Freeman, James Payne	2	Messrs. Roberts, Lubbock & Co.
Hyde, Clarence Golding	2	King's College, London.
Lander, Frank Eaton	2	London Joint-Stock Bank.
Mullins, William	2	Messrs. Glyn, Mills & Co.
Bowe, William Ellis	2	London and County Bank.

CERTIFICATES OF DISTINCTION.

*Livesay, Nathanael Dunbar ..	..	Bank of England.
Dunstall, William Harold	..	London and Westminster Bank.
Collins, Francis John	..	National Discount Company.
Humphreys, Eugene H.	..	Bank of England.
O'Connor, John Samuel	seq. ..	London and County Bank.
Searle, William	..	City Bank.
Weeks, William Self	..	City Bank.

CERTIFICATES OF MERIT.

Manuel, Robert	seq. ..	King's College, London.
Norris, William Robert	..	Birkbeck Bank.
Langley, George Richard	..	London and County Bank.
Mackenzie, Benjamin Duncan ..	seq. ..	Bank of England.
Ritchie, Ewing Thompson	..	Bank of British North America.
Burr, Henry Daniel	..	Messrs. Glyn, Mills & Co.
Herbert, Charles	..	Messrs. Glyn, Mills & Co.

* Mr. Livesay stood sixth in the list of competitors, and Mr. Dunstall eighth, but having received higher prizes in former years, were unable to obtain those allotted to them this year.

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CERTIFICATES OF MERIT—(Continued).

Best, Egbert James	Bank of Roumania.
Wilson, John	Messrs. Martin & Co.
Evans, William Herbert	National Provincial Bank of England.
Berridge, William	General Credit and Discount Company.
Tomlin, Charles Edward	King's College, London.
James, David Howell	National Provincial Bank of England.
Rowett, Henry Lee	Hong Kong and Shanghai Bank.
McFarquhar, James	National Provincial Bank of England.
Larcombe, James Henry	Bank of England.
Hunt, William	London and Westminster Bank.

INSTITUTE OF BANKERS IN SCOTLAND.

The Council, at a meeting held in Glasgow on the 14th inst., declared the following gentlemen to be the successful candidates at the examinations held in Edinburgh and Glasgow on 24th ultimo:—

I.—MEMBERSHIP EXAMINATION (Maximum Marks 228).		Marks Attained.
1. Robert Connel, M.A., Clydesdale Bank, Moore Place, Glasgow	191	
2. Thomas Thomson, Jun., City of Glasgow Bank, Edinburgh	183	
3. Robert Orr, Clydesdale Bank, Glasgow	172½	
4. James McEwen, Union Bank of Scotland, Glasgow	163½	
II.—ASSOCIATE EXAMINATION (Maximum Marks 200).		
1. J. A. Adamson, Aberdeen Town and County Bank, Aberdeen	181	
2. Robert Buchanan, Jun., Union Bank of Scotland, Dumbarton	177	
3. R. T. W. Petheram, Bank of Scotland, Morningside, Edinburgh	154	
4. Walter Scott, Royal Bank of Scotland, Glasgow	152	
5. James Tuke, British Linen Company's Bank, West End, Edinburgh	142½	
6. T. W. Hecason, Union Bank of Scotland, Leith	141½	
7. William Macleod, Caledonian Bank Inverness	139	
8. Robert Lachlan Mc'Glashen, Bank of Scotland, Edinburgh ..	135	
9. Robert Ford, Bank of Scotland, Greenock	132	
10. William Young, Clydesdale Bank, Hutchesontown, Glasgow	130	
11. D. P. Ross, Commercial Bank of Scotland, Hope Street, Glasgow	126	
12. George T. Lees, Royal Bank of Scotland, Cupar Fife	125	
13. S. G. Manford, Royal Bank of Scotland, Edinburgh	112	
14. John Orford, National Bank of Scotland, Leith	106	
15. Andrew Forbes, City of Glasgow Bank, George Street, Glasgow	105	

The following candidates passed the Partial Examinations permitted by the Council's Regulations, having attained 50 per cent. of the value of the Subjects selected by them, viz.:—

I.—MEMBERSHIP EXAMINATION.		MARKS.	
		Maximum.	Attained.
1. John Muir, Bank of Scotland, Glasgow	196	130	
2. David Osborne, Bank of Scotland, Glasgow	152	122	
3. Peter Souther, Royal Bank of Scotland, Edinburgh	156	116	
4. James G. Dalziel, Bank of Scotland, Cross, Glasgow	144	120	
5. Alexander Kay, Royal Bank of Scotland, Glasgow	140	83	
6. J. B. Cunningham, Bank of Scotland, Greenock	123	115	
7. R. Downie, Union Bank of Scotland, Glasgow ..	138	94½	

	MARKS.	
	Maximum.	Attained.
8. Alexander A. E. Downie, Commercial Bank of Scotland, Glasgow	102	58
9. William Ferguson, Royal Bank of Scotland, Irvine	76	69
10. D. Fotheringham, Commercial Bank of Scotland Glasgow	78	54
II.—ASSOCIATE EXAMINATION.		
1. Charles James Sidey, Bank of Scotland, Glasgow	182	126
2. Charles Moody Stuart, Bank of Scotland, Glasgow	182	125
3. A. W. Horsbrugh, Bank of Scotland, New Town, Edinburgh	182	124½
4. Alexander Morrison, City of Glasgow Bank, Glasgow	134	111
5. A. D. Morrison, National Bank, Portobello	182	103
6. William Sutherland, Bank of Scotland, Stockwell Street, Glasgow	109	76
7. Thomas Purvis Jack, National Bank of Scotland, Leith Walk, Edinburgh	120	71
8. D. M. Galloway, National Bank of Scotland, Edinburgh	103	58
9. J. G. Macnair, British Linen Company's Bank, Ferry Road, North Leith	59	38
10. John Smith, Royal Bank of Scotland, Edinburgh	76	39
11. Donald Macfarlane, City of Glasgow Bank, Broomielaw, Glasgow	27	24
AND. WM. KERR, Secretary.		

EDINBURGH, 16th May, 1877.

THE BANK OF FRANCE.

WE print in this month's Magazine a portion of the report of the Bank of France which we hope to continue and complete in our next issue. It is a very desirable thing to give information as to the position and management of the business of banking in other countries, and we are sure that our readers will take a great interest in such a report, which puts before them many details as to the method of working in one of the largest continental banks. The Bank of France, it will be observed, has had, in common with every other similar institution, to feel the influence both of the stagnation of business, which has now been prevalent so long throughout the civilized world, and of the low price of money and the dividends paid to its shareholders were lower in 1876 than in 1875. This, however, could not be avoided. A bank which, like the Bank of France, employs a very large proportion of its business resources in the discount of commercial bills, of necessity feels the influence of the moment, so to say, very strongly. But the discount of commercial bills is the proper function of a bank, and the Bank of France, is only doing its duty in performing this function.

The translation it is desirable to add 'is of the whole of the report, including in this both the reports of the Governor

(M. Rouland) and of the Censors of the bank. The corresponding statement for 1875 will be found in our volume for last year. The translation has not, as far as we are aware, appeared in so complete a form in England in any other publication.

THE GILBERT LECTURES ON BANKING.

DELIVERED AT KING'S COLLEGE, LONDON (SESSION 1877),
 BY PROFESSOR LEONE LEVI, F.S.A., F.S.S., of Lincoln's Inn,
 Barrister-at-Law, Doctor of Political Economy.

LECTURE III.

ON THE MUTUAL DUTIES AND OBLIGATIONS OF PARTNERS.

THE spirit of association is very active in our time. Never probably richer in resources, we nevertheless feel more than ever the need and advantage of working together. Conscious of weakness in ourselves, we seek for strength in co-operation, society, company with others. And thus it is that we agree to join together as partners, sharers, or partakers in any adventure or business ; to unite our skill, our funds, our advantages in the prosecution in a common object. The lion, the symbol of force, may go alone in his strength. Man, the emblem of want and weakness, may well walk in company. When the two Scipios were marching triumphantly through Spain, and were anxious to hinder the passage of Hannibal into Italy, the one difficulty which hindered their movement was the want of provision, clothing, and money. They wrote to the Senate for help, but the Roman exchequer was exhausted. Deserted by the Government, the paymaster asked holders of capital on the spot to come forward and lend the necessary funds. But no private individual had enough to spare,—and the risk was great. So three societies came forward, and on certain reasonable conditions, they advanced the necessary funds. Alone, no one was able to assist ; united, they were more than prepared to meet the exigency. The principle of "society" was in active operation among the Romans, it was in constant use among the Italians in the Middle Ages, and it became the great moving power in the Hanse Town. It is by this spirit of association, that those great companies have been organised which conquered India for the British empire, and carried trade and commerce into the farthest regions of the earth. And it is by the same spirit of association and co-operation, that those vast undertakings have been promoted—our railways, our water, gas, and other public works, which are the wonder of the world. And so it goes on, to greater and greater dimensions. The

individual trader has now-a-day no chance. He enters into a partnership. A small partnership cannot subsist for want of large capital. It is transformed into a joint stock company. Whilst partnership means the union of two or more persons in the same trade, society or company means the union of many in one general interest. The word "society" is a generic one: there are societies of beneficence; societies for the advancement of science or art, and literary or philanthropic societies. In a more limited sense, the one now before us, the trading partnership, is a society or the union of two or more persons, putting something in common with a view to their joint profit. If limited to a few individuals, it is a partnership. If composed of many, it is a company, a joint stock company. And what a powerful auxiliary it has become in industry, commerce, and agriculture; what encouragement it has given to the investment of capital in industry. How it has cemented the union of capital and industry!

We must limit our observations this evening to only a portion of the contract of partnership, viz. : to "The mutual rights and obligations of partners." The remaining portion of the law, as well as the special laws which govern joint stock companies, we must reserve for a future occasion. What is partnership? The French Code defines it a Contract, by which two or more persons agree to put something in common, with a view to divide among themselves any profit which might result from it. Partnership is an agreement formed by the consent of the parties. It is not a community of interest, as may exist from a joint tenancy in land. If two of us become interested in the same estate, by inheritance or otherwise, independently of our own concurrence or will, that would not constitute us partners. If two or more of us happen to buy a certain number of shares in the same ship and become part owners, that would not make us partners. A partnership is a consentient contract. It does not exist except by the express assent and consent of the parties. It is the result of an agreement. Moreover, that the agreement may be valid, the parties must be competent to contract. No one who is under age, that is, who has not attained the full age of majority of twenty-one, can bind himself as partner. A minor might indeed be a partner for his own benefit, but he would not be answerable for losses. Competency to contract demands freedom of will, moral power, and soundness of mind. A person incompetent from age or from any infirmity to contract, is disabled from being a partner. Further, it is the essence of partnership that each brings something valuable. No matter, however, what they bring. One may give his capital in money, another in land, another in a machine, and another in

labour or industry. A partner may bring a corporeal thing, or an incorporeal right; a corporeal one, such as a factory, a machine, a mine, a railway; an incorporeal one, such as an invention, a settled business, &c. It may be a thing present, or a thing to come; it may consist in the capacity of the partner to manage the business, in the credit which he may bring by his name and reputation, or in any appreciable advantage he may possess. But whatever is brought in, it must be put in common, that is in such a way, that each partner may have an unlimited control over the whole. The object for which the parties join must be a lawful one; it must not be for smuggling, or for any other immoral or illegal purpose. And as to the profits, they too are to be put in common, though they may be participated in in unequal proportions according to agreement. It is of necessity, moreover, that the partnership should be constituted in good faith, each party having full knowledge of all the circumstances and conditions of the partnership. And the contract should be in writing, to save misunderstandings in future.

There are many tests by which the existence of partnerships may be ascertained. At one time community of profits, under any circumstance whatever, was held sufficient to establish a partnership. This principle was carried so far, that, however small the proportion, any of the partners might participate in the profits; nay, however far it might have been from the *intention* of the parties to constitute a partnership among themselves, the simple agreement to combine in any undertaking of a continuous character, for common profit, was held to be sufficient to fix the parties as partners, even against their specific agreement to the contrary. And so a great deal of trouble arose in ascertaining, by subtle distinctions, whether the participation of profits was upon the gross or upon the clear profits; or whether the money paid to a clerk was as salary or as a percentage of profits. All this has now been abandoned, and the law has positively declared—That the advance of money on contract to receive a share of profits shall not, of itself, constitute the lender a partner; that the remuneration of an agent or servant by a share of the profits shall not, of itself, make him responsible as a partner, nor give him the rights of a partner; that if a widow or child of a deceased partner should receive, by way of annuity, a portion of the profits, the simple reason of such profits shall not constitute her or him a partner, or make her or him subject to any liability incurred by such trader. And, further, that neither the receipt of profits in consideration of sale of goodwill, should render the party a partner. Though, in all such cases, should the trader become bankrupt, lenders of loans

under the above circumstances would not be entitled to recover their claims until after the claims of the other creditors for valuable consideration, in money or money's worth, have been satisfied. As the law stands at present, the question, whether a person is or is not a partner, mainly depends on the intention of the parties. Messrs. W. N. Watson and Co., merchants in Calcutta, entered into an agreement with Rajah Pertab Chunder Sing Bahador, by which, in consideration of money advanced, or which might be advanced by the Rajah, they agreed to carry on the business subject to the control of the Rajah, stipulating that the Rajah should receive 50 per cent. on all profits made by the firm, until the whole amount of the debt due to him should be paid off with 12 per cent. interest on all cash advances, which he had made, or which he might further make. The Rajah never received any part of the proceeds of the business. He did not interfere with, and exercise any control of the business, so as to make him an ostensible partner. He was to be consulted on the disposal of property, but he had no initiatory power. Messrs. Watson failed. Was the Rajah to be considered a partner? It was decided, that his participation in the net profits was not sufficient to establish a partnership between Messrs. Watson and the Rajah towards third parties. Participation of profits is a strong test of partnership, and there are cases where it furnishes sufficient presumption of law and of fact of the partnership; yet whether that relation does or does not exist must depend on the intention and contract of the parties.

It should be remembered, however, that though a contract of partnership should not exist, if a person lends his name and credit to a concern as a partner, or suffers his name to continue in the firm after he has ceased to be an actual partner, or if he does any act of a nature to induce others to believe that he is a partner, or holds himself out to the world as a partner, then in all, or any such case, the individual would become liable for its engagement as a partner, notwithstanding any agreement to the contrary. A simple statement by a person that he is a partner with another is not sufficient to render the other liable as an ostensible partner, unless the statement was made to the person who seeks to render the other liable. A worsted-spinner at Halifax was in the habit of supplying Thompson, a damask manufacturer, with yarn, when the latter advertised for a partner. The advertisement was answered by the father of Blakey, and they agreed that they would enter into partnership after a certain time. Soon after, Thompson wrote to the spinner that he had got a partner, and, as a matter of fact, the son of Blakey came to

the mill, transacted business, and acted, to all appearance, as one of the firm. A few days afterwards, however, Blakey's father altered his mind, and entered into an arrangement in writing, that his son should be a clerk and not partner. There was ample evidence to show that Blakey had declared himself a partner, but no evidence that that fact had been brought to the knowledge of the spinner before he supplied the yarn. The spinner sued Blakey as partner, but he failed; first, because an agreement to become partner does not constitute partnership, and second, because there was no evidence of any holding himself out as partner, on the part of Blakey, which reached the plaintiff. The statement by Thompson that Blakey was a partner, did not at all affect Blakey, so as to make him liable to the claims, nor did the spinner show that he was induced to supply the goods by any such representation. An agreement to enter into partnership is not itself a partnership, but it may be enforced. True, a man cannot be forced to be a partner against his will, yet such an agreement may be enforced by damages; and it would be no answer to an action for breach of such an agreement, to plead, that the plaintiff had acted dishonestly or with fraud towards a former partner.

I said that the contract of partnership should always be in writing. The contract thus prepared is called the Deed of Partnership, or, in case of a company, the Deed of Settlement. Where such a deed exists, all the duties and obligations arising out of the relations of the parties are regulated, as far as they are touched, by the express contract. But if such deed does not reach all those duties and obligations, they are implied and enforced by law. The written articles settle first the date of commencement of the partnership and its integral regulations, such as the name of the firm, which of course ought to be communicated to all the correspondents; the duties of partners; the mode of keeping books and accounts; a clause rendering optional in the continuing partner to purchase the share of any discontinuing partner; a clause providing for cases of dispute among the partners; the portion of capital to be contributed by each party; the proportion in which the profits should be divided, &c. It is the duty of the partners to abide by the clauses of the deed, and the non-performance of any of the duties therein prescribed may give ground for a dissolution. Although, however, partners enter into a written agreement, stating the terms upon which the joint concern is to be carried on, yet, if there be any course of dealing, or dealing long enough to demonstrate that they have all agreed to change the terms of the original written agreement, they may be held to have changed the terms by their conduct, in which case such clauses

on which the parties have not acted are read in a Court of Equity as if they were expunged. It is of importance to observe, with reference to the clause of the deed regarding partnership disputes and arbitration, that although at one time the Court held it illegal, by any agreement between the parties to withdraw the decision of any dispute from the determination of the ordinary tribunals, the Common Law Procedure Act made it compulsory on the parties, whenever such a clause exists in the deed, to refer any matter of dispute to arbitration before they commence any action at law or suit in equity against one another. Such arbitration clause, however, applies only to questions arising upon the construction of the articles, and to matters of internal dispute thereunder, and not to cases where it is charged that the partnership articles have been wholly broken through, and where a dissolution is sought on that ground.

The social firm is the symbol of the partnership; it is the name of the moral person by which it is known, and is quite distinct from the name of the partners. As partners cannot be in the same place at all times, and they could not all sign every paper issued by the partnership, custom has invented the use of a joint name embracing them all, and by which they may be known collectively. If the partners are only two, they may use both names as the name of the firm. If they are brothers, they may call themselves "Grange Brothers." But if they are many, they may take one name as a basis of the firm, and add the words "and Company," which signify, and other partners. It is necessary to fix who shall have the right to sign for the firm, but unless otherwise arranged, every partner would be held to have the same right. Strange that a custom, so well established in trade, should have never been recognised by the Common Law of England. Till a very recent time a mercantile partnership, unless incorporated or *quasi* incorporated by registration, was not considered in England as a moral person, or, in other words, was not recognised separately from the co-partners of which it is composed. Now by the Judicature Act the firm is recognised, and any two or more persons being liable as co-partners may be sued in the name of their respective firm. Where partners are sued in the name of their firm the writ is served either upon any one or more of the partners, or at the principal place, within the jurisdiction, of the business of the partnership upon any person having at the time of service the control or management of the partnership there.

In France, one of the principal conditions to the existence of the partnership is its registration or publicity. Every society

there, whether for wholesale or retail trade, whether large or small in number, must be registered. In this country, registration is demanded only in the case of Joint Stock Companies. So in the case of partnership there is no mode of ascertaining who are the partners. And yet we know, that in many cases the present partners of old established houses have not the remotest connection with the name of the founder of the same. The registration of all partnerships is a desideratum in our mercantile jurisprudence. The publication in the Gazette of the original formation, and subsequent changes in the *personnel* of the firm, is of great value. But a public office, where creditors or others interested might at any time ascertain who are connected with any individual firm, would be of great practical value.

Partnership property consists of all property originally put into the partnership, and all property subsequently acquired by the firm, by means of any transaction, and also of real estates purchased with partnership funds in whosoever name they may stand. A, B, C, and D joined in a partnership to work a fulling-mill. Money was subscribed by all the parties, with part of which freehold land was bought, which was conveyed to A and B in fee; with the other part, a mill was built on the land, and machinery for the mill was purchased. By a partnership deed, executed by A, B, C, and D, the trusts of the land, mill, &c., were declared to be that A and B should stand seized and possessed of all the estates, upon trust for the benefit of themselves and their partners as part of their partnership joint stock-in-trade. A and B, under the power of the deed, borrowed money for the purposes of the partnership, for which they gave bonds and notes in their own names, but did not mortgage any part of the property. There was no question as to the legality of the act, or that the land and the mill constituted part of the partnership property, and that that formed the basis or subject-matter of the trade out of which the profits were to be divided among the partners. The only question was whether the co-partners had not parted altogether with the possession of such property in favour of A and B, and had thus forfeited the right to vote; and this was held that they had not lost, because no trusts had been made inconsistent with an equitable seisin of a freehold in the co-partners. Whilst it is of the essence of the partnership that all property is held in common, it is quite open to a partner to agree that any specific property shall continue to remain the property of any one partner, and that the use of it only shall be in common. Although partnership property may be used and risked for the common profits

of the partners, it may still remain the private property of some of them. The profits arising from it may be divided, and yet not the ownership of property. It rests on the terms of the transaction, and on the intention of the parties to discover whether there existed between the partners a joint interest in the property. Each partner has a specific lien on the partnership stock for everything he has advanced or brought in as a partnership transaction, and also for the payment of the debts of the firm.

Partners are all interested in the profits and loss in certain proportions defined by the agreement. A partnership in which all the burden or losses should fall upon one, and all the profits on another, would be invalid for want of reciprocity. The lion the ass, and the fox, united together for a hunting expedition. Having gathered sufficient booty, the lion asked the ass to divide it, and she, with her proverbial simplicity, divided the spoil into three equal lots. But the lion became indignant at this, and forthwith he punished the poor ass by killing her. Then he ordered the fox to make a new division, and he, well taught by the chastisement inflicted on his companion, gave most of the prey to the lion, and reserved little or nothing for himself. The lion highly appreciated this just distribution, and praised the fox for his ability. Now this is a fiction, but it represents what the civil lawyers called two species of leonine societies. The first takes place when one of the partners assumes all the losses, without participating in any of the benefits. The other, when all the losses fall on one, and the profits are divided among the others. Where is the equity of such a transaction? The exclusive right of one partner to all the profits would destroy the hope of any advantage on the part of any other. And where is the inducement to labour for the common good? No, the law recognises no such inequality, and the principle is that where there is no contract between the partners, or any dealing from which a contract may be inferred, the law assumes that the partners carried on business on terms of an equal partnership, which implies not only an equal partnership *de facto*, in profit and loss, but a right in each partner to claim and insist in such participation. In foreign countries, in case of partnership of three parties, one bringing in, say £5,000, another £2,000, and another his industry only, the industrial partner would be entitled to share in the profits in the same proportion only as the partner who has brought in the least amount of capital, or £2,000. But in England the implied equal distribution of profits applies in all cases, even where one partner contributed all the capital and the other his industry only. It is needless

almost to observe, that when we speak of the distribution of profit, we always mean the proportion of the residue on balance of the account, nothing being accounted as the partner's share but his proportion of the surplus, after the partnership accounts are all settled and all just claims satisfied.

Each partner is the accredited agent of the rest, and has authority as such to bind them either by contract or by negotiable instruments, though not by contract under seal. Every partner possesses an equal and general authority on behalf of the firm to transfer, pledge, exchange, or apply, or otherwise dispose of the partnership property and effects, for any, and for all purposes, within the scope and object of the partnership, and in the course of its trade and business. This authority may be exercised also by drawing, negotiating, or accepting a bill of exchange, or a promissory note, effecting a contract of insurance or charterparty, by buying, selling or pledging goods, by receiving or borrowing money, acting in bankruptcy, proving debts, voting for assignees and signing certificates, subject indeed to one general condition, which is especially important as respects bills of exchange, that the authority of partners can only be exercised by signing them in the true style of the firm, and that they could not bind the partnership in any other name. And it should be remembered, that although the general authority of partners to bind each other by bill is always implied in commercial partnerships, the authority may be always rebutted by express previous notice to the party taking such security, from one of them, that the other would not be liable for it.

I said that a partner has authority to borrow money on behalf of the firm. Could he bind the firm by opening a banking account in his own separate name? No. The following is a recent case in point. William and James Kearsley, being partners as coachmakers, under the name of "George Kearsley & Co.," James Kearsley opened an account at the Alliance Bank, saying that the firm desired to have overdrafts in account which he would secure. The pass book was headed James Kearsley, Esq., in account with the Alliance Bank, and the cheques were all drawn by James Kearsley in his own name. The account was drawn upon by James Kearsley to some extent for the purposes of the firm, but this could not be well proved. James Kearsley having failed, the Alliance Bank sued the firm of George Kearsley & Co. to recover the sum of £427. 1s. 2d., as the balance due by James Kearsley. But had James Kearsley any implied authority from the other to open an account at a bank on behalf of the firm in his own separate name?

There is a great difference between the contracting of a loan and the opening of a banking account, for the latter involves drawing cheques, and it may be mutual loans. *Primâ facie*, moreover, unless the name of the firm is used in making the contract, the contract is binding only on the individual partner who makes it. When the name of the firm is used, and the transaction is one which occurs in the ordinary course of business, an authority to contract is presumed to be conferred by one partner on the other; and as borrowing money for the purpose of business is within the ordinary transaction of life, in the case of such borrowing, an authority will be implied. But it is not one of the ordinary transactions of business to open a banking account for a firm in any other name than that of the firm, and so the firm of George Kearsley and Co., could not be held answerable for what one of the partners, James Kearsley, did in his own name.

The liability incurred by partners extends to the whole of their joint and separate property. No restriction of liability is admitted in any case of private partnership. Every partner is liable, not only to the extent of his interest in the partnership funds, but also to the whole extent of his personal estate. Partners may limit their individual liability towards one another, and will be bound among themselves by such stipulation, but it will not affect third parties, unless, indeed, specific notice of limitation can be proved to have been given with regard to any individual. An incoming partner, that is one who enters the partnership after it has been constituted, would not be bound for the debts contracted by the firm previous to his joining it. But slight evidence may be sufficient to show, that the partner knew the stock in which he was a partner, and that, therefore, by joining it, he intended to enter into all the liabilities of a partner. In France, the law permits the formation of partnerships *en commandite*, that is of partnerships where the managers have an unlimited liability, and the providers of funds a limited liability, the latter not meddling in anywise, openly, in the management of the concern. But in England, limited liability is allowed only in the case of companies.

The management of the affairs of a partnership devolves upon all the partners, and no one has a right to take any exclusive control of the business. In France it is competent for partners to nominate a *gérant* or manager, and in that case, all the rights of the different partners would rest in his hand. In England, no such power is admitted to exist, and in case of disputes among the partners as to any enterprise, the majority would be held to rule the minority, partners being united by a

general engagement, in a sort of brotherhood, to act the one for the other, and with the other, as every one would do for himself, they owe reciprocally to one another, an upright fidelity and integrity. They likewise owe their care for the affairs and effects of the partnership, and they are obliged to use the same care and vigilance in the common affairs of the firm as they would use in their own. Partners, being bound to each other by express or implied contract, to promote an undertaking for the common benefit, ought not to engage in any other concern which may necessarily give them a direct adverse interest to the undertaking. And as each partner stands in the relation of trustee, for the partnership concern, he should not, in pursuit of his private advantage, place himself in a situation which may give him a bias against the due discharge of that trust or confidence. These observations must suffice for the present, and I trust you may learn from them how onerous, how responsible, and how difficult, is the position of a partner in the present advanced and complicated character of commerce and banking.

THE INFLUENCE OF A NOTE CIRCULATION IN THE CONDUCT OF BANKING BUSINESS.

Being a Paper read before the Manchester Statistical Society by
Mr. R. H. INGLIS PALGRAVE, F.S.S., 14th March, 1877.

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I.—Introductory Remarks.

THE subject which is named in the heading of this paper is a very large one. From the commencement of banking in this country the power of issuing notes has always been highly prized. One might go further than this and say, and with perfect truth, that in the earliest infancy of banking it was the only power which was thought of any value at all. The power of issuing "notes payable on demand," was the great privilege of the Bank of England confirmed to it by the Act of 1707. The right of private banks to issue notes remained at that time unrestricted, but no other corporate body could do the like till by the Act of 1826 the "exclusive privilege" of the Bank of England in this respect was modified. It is not proposed to go further into this part of the question here, but to examine into some of those points in which the use of an issue of notes mainly consists, and which may deserve consideration.

"Money, the great wheel of circulation, the great instrument of commerce, like all other instruments of trade, though it makes a part, and a very valuable part, of the capital, makes no part of the revenue of the society to which it belongs. The machines and instruments of trade, &c., which compose the fixed capital, bear this further resemblance to that part of the circulating capital which consists in money; that as every saving in the expense of collecting and supporting those machines which does not diminish the productive powers of labour is an improvement of the net revenue of the society; so every saving in the expense of collecting and supporting that part of the circulating capital which consists in money, is an improvement of exactly the same kind.

"The substitution of paper in the room of gold and silver money, replaces a very expensive instrument of commerce with one much less costly, and sometimes equally convenient. Circulation comes to be carried on by a new wheel, which costs less both to erect and to maintain than the old one."—Adam Smith, "Wealth of Nations," Book II., Chap. 2.

These remarks, though written more than a century since, place the matter before us in so clear a light that it is impossible to find a more lucid description of the economy caused by the use of notes as part of the circulating medium of a country. While every one will admit the importance of this economy, strong differences of opinion have arisen as to which method of placing such a currency into circulation is preferable—whether through the means of one central bank representing the State,

or of more banks than one, in this last case these banks being proprietary and trading institutions.

Apart from the question of the right of the State to be the sole issuer of bank notes, into which we will enter further on, it will be clear that a considerable part of the usefulness of the circulation rests on the fact, whether such an issue when made by banks may not be of greater advantage on the whole to the trade of a country than if it is in the hands of the State alone—whether in fact a note circulation made through the intervention of a great many banks in different parts of a country, may not promote the prosperity of that country to a greater degree than a similar amount of note circulation would do if in the hands of the Government itself, or of one bank alone privileged to issue, and connected with the State by close ties of privilege and mutual assistance.

The profit which a government can make by levying a tax on the privilege of issuing notes may be great, and there are advantages, no doubt, in a note issue centering in one central bank; but while the State is able to levy taxation as easily through the medium of a stamp duty on a circulation which is in the hands of many banks, as it can on a circulation which emanates only from one bank, it remains to be seen whether a circulation when in the hands of several banks may not promote the prosperity and the commerce of a country more efficiently than when in the hands of one central bank.

II.—*Early History of Banking in England.*

To trace this more distinctly we must go back to the early history of banking in this country. The prosperity of banking depends entirely and solely on credit; and in the early stages of banking, during the period in which a country is being accustomed to place credit in bankers, there is no doubt whatever that the existence of this credit has been largely developed by means of the issue of notes. Where large sums of money pass from hand to hand, and cheques are not customary, notes are found to be far more convenient than coin in settling large transactions. The credit thus obtained from a note circulation which has been brought into use through its superior convenience to a metallic circulation, has doubtless been the foundation of many banks, some of which have failed, not so much from an over-issue of notes as from a wrong use of the credit which they obtained by issuing them. The records of banking in England, even so recently as forty or fifty years ago, are very scanty. The following statement includes most of the information which can

be gleaned on the subject, and it certainly shows that at a period not very remote, the circulation of notes was a far more important thing to banking in this country than at the present time.

It was the misuse of the credit thus obtained which led to the disfavour into which the provincial note circulation fell early in this century, with many statesmen and some economists. It was considered by these that bankers had the power of issuing notes at will to any extent. This power, however, it is obvious that bankers could not possess, as no one will retain in his possession for any length of time a greater number of notes than he requires when the banker can be compelled to cash them. It was not, however, the power of issuing notes which bankers in some cases misemployed—it was on the use which they made of this power of giving credit, placed in their hands through the credit which others gave them, that their prosperity and the prosperity of the community turned. Prices may have been influenced and markets acted on, by the manner in which men to whom bankers may have given undue credit engaged in rash speculations. But these things were not the result of the issue of notes. They would have occurred in exactly the same manner had the funds employed in speculation proceeded from deposits, and the bankers not issued a single note. What was seen, however, was taken to be the cause, and the misfortunes which arose from a rash use of credit were confounded with the form in which that credit was given.

It will assist us in comprehending this part of the subject, to compare, as far as can be done, the amount of the deposits held by bankers in England and the note circulation at various periods. Though the dates are still recent the information is very imperfect, but some idea can be obtained of the amounts both of deposits and of circulation at several periods. There are various rough estimates still existing made at dates early in the century, which form some guide, and some facts can be gleaned from authentic sources.

III.—Banking Deposits and Circulation in Great Britain compared.

From 1805 to 1825 the private deposits in the Bank of England rarely amounted to more than one million, and never exceeded two millions. In 1828 these deposits rose to five millions for the first time. The particulars are given in Marshall's Digest. It is difficult, almost impossible, to form any calculation, however rough, of the amount of deposits which other banks held

at that date. The following, however, are some estimates of the amounts held by the banks in this country at various later dates in the century. The first two of these, though they are interesting, as assisting us to form an idea of the vast growth of the business and the wealth of the country between the years 1825 and 1845, yet are of less service because they include only portions of the whole field, and at the present time it is absolutely impossible to supply what is deficient in them. An estimate in an anonymous pamphlet, published by Effingham Wilson in 1834, calculated the deposits of the London bankers *only* as 26½ millions. In this estimate the public deposits held at that time by the Bank of England and the sums held by the London bankers, on account of banks in the country, are not included. A calculation, made by Mr. J. G. Hubbard for the date 1832-41, placed the deposits held by country bankers at from 16 to 20 millions. This calculation apparently refers to England only.

An estimate, made by Mr. G. W. Norman, in giving evidence before the Select Committee of the House of Commons on banks of issue, in 1840, is as follows :—

Banking Deposits, London, including Bank of England	30 millions
English Provincial Banks, Private and Joint Stock	40 "
In Scotland	18 to 20 "
In Ireland	10 to 15 "

This, if we take the higher estimate of the Scotch banks, gives a total of 100 millions of banking deposits in the country at that time. This is the earliest estimate I have been able to discover relating to the whole of the kingdom.

A rather later calculation, given by the late Rt. Hon. James Wilson, in his speech during the debate on the commercial crisis of 1847, was, that the total deposits of the banks of the United Kingdom ranged at that time from 200 to 250 millions.

These earlier calculations, with the exception of the last, must be regarded as being very rough approximations to the facts.

Mr. Newmarch estimated the total amount of capital wielded by the banks of the United Kingdom as being, in 1851, £260,000,000, including deposits with bill brokers not received from bankers. The corresponding estimate, in "Notes on Banking," published by myself in 1872, is £616,000,000. To this must be added, as affecting banking in this country, the amounts belonging to foreign and colonial banks having offices in London, and held in England, which is estimated at that time as being £152,000,000, forming £768,000,000 in all. If we add to the

amount stated by Mr. Newmarch a similar estimate of the probable proportion of deposits belonging to foreign and colonial banks in 1851, £25,000,000 would probably have to be added to the amount of £260,000,000 under that heading.

Mr. Dun estimated in 1876, in his valuable volume of *British Banking Statistics*, that the capital in the hands of bankers in the United Kingdom at that date was not less than £782,000,000. To this should be added the amounts held by the foreign and colonial banks, which may be taken at £152,000,000, as given above, thus giving a total of £934,000,000. All these are estimates only, but from the circumstances of banking in this country, it is only estimates that can be supplied. They will, however, assist us in our present enquiry, which is to form a comparison between the amounts of banking deposits and of notes in circulation in the country.

The best proof of this will be found in the evidence given before the Select Committee of the House of Commons on banks of issue, 1875, as to the proportion of capital, deposits and circulation of the most important issuing joint stock banks in England in 1844 and in 1875. The statement is subjoined.

On the basis of the estimates given above, in which the note circulation of the United Kingdom and its deposits are also included, the comparison between the deposits held by the banks of the United Kingdom and the notes in circulation will be as follows—

BANKING DEPOSITS AND NOTE CIRCULATION OF THE UNITED KINGDOM.

	Deposits.						Note Circulation.
1840	£100,000,000	...	...	...	...	...	£35,920,000
1847	250,000,000	...	...	...	...	...	36,043,000
1851	285,000,000	...	...	...	...	...	33,376,000
1872	768,000,000	...	...	...	...	...	43,598,000
1875	934,000,000	...	...	...	...	...	45,382,000

The two earliest estimates—the one in the pamphlet published by E. Wilson, in 1834, and the one formed by Mr. J. G. Hubbard for the years 1832-41—are omitted from this comparison, as these two estimates refer to England only, and I desire at this point to compare the deposits and the circulation of the country generally. The figures before us are sufficient to show that, while the deposits have immensely increased, the growth of the note circulation has been comparatively small.

The calculations made by the late Mr. W. Leatham, of Wakefield, have not been quoted, because, like the two earlier estimates just mentioned, they refer to a portion of the country only.

From an examination of them it would appear that in all probability down to the year 1820, perhaps even as late as the year 1830, the liabilities of the banks of the United Kingdom collectively may be considered to have been as great to the holders of their notes as to their depositors.

These statements of the banking deposits of the country must be understood to be estimates only, but they show, without doubt, that the proportion of notes in circulation to deposits was far greater early in the century than at the present time.

Some idea as to the difference of the position of English banking in this respect at the present time when compared with what it was at an earlier date, can also be obtained from the information supplied to the Select Committee of the House of Commons on Banks of Issue in 1875, as to the growth of capital and deposits between the years 1844 and 1875. This formed part of the evidence laid before that Committee. The replies received from 36 of the most important issuing joint-stock banks in England and Wales show that, while their note circulation had since that date declined, under the provisions of the Act of 1844, their deposits had largely increased. This statement will be found in Table A.

IV.—*Uses of a Note Circulation.*

Yet, we should do wrong if we thought that because the note circulation was small at the present time, and reduced in proportion to the rest of the business, that it was, therefore, an unimportant feature in banking. The value of a note circulation to a bank does not lie, when properly understood, in supplying it with capital, by means of the credit which the notes obtain; but it lies in the facilities given to the whole course of business through the economy in working which it provides. It lies in the fact that the possession of a note circulation enables a bank to establish small branches where it otherwise would not answer to establish them, and where a note circulation is entirely unfettered, by other small advantages in carrying on business. This economy is only obtained when a note circulation is in the hands of those banks which carry on business as trading institutions, and is not a State circulation. This will be shown when we come to examine the relative circulations of State banks and other banks, and the amounts of deposits which have been obtained by each. The following short abstract of the portion of the evidence given before the Select Committee of the House of Commons on Banks of Issue (1875), which refers to this subject, will explain some of the points in which the power of circulating notes is of service to those banks which possess it.

"The facilities which a local note circulation supplies to small transactions, and especially in remote districts in the country, were explained in much detail to the Committee. Mr. Seeborn stated that at his bank at Hitchin more than 3,000 cheques on other banks were cashed annually without charge, chiefly to small farmers, stock dealers, butchers, market gardeners, who send their produce to towns at a distance, and others. These persons receive in return, from those to whom the goods are sent, cheques drawn on banks at a distance. The local issuing banks are willing to cash these cheques without charge, because their own notes are put into circulation hereby. Mr. Seeborn gave evidence that this practice existed extensively throughout southern and midland England, and was a great convenience and advantage to the public. Mr. Bagehot supplemented this statement with facts supplied by his own bank (Stuckey's Banking Company) in Somersetshire. It was shown that the withdrawal of local notes in these districts would practically necessitate a charge being made upon these small transactions of country markets.

"In England, as in Scotland and Ireland, the existence of the local circulation has facilitated the opening of branches in localities where it would not answer to establish a bank, which did not possess this power of supplying a circulating medium in an economical manner. Mr. Bagehot mentioned that Stuckey's Banking Company had found it advantageous, in order to obtain the circulation of a district, to open branches in remote places where, but for the circulation, such branches would have been unprofitable.

"The advantage of the local circulation in the way of till-money is very considerable to the issuing banks. It enables a great economy of capital to be effected. Those banks whose circulation is habitually below their limit find the power of issuing their own notes of great service on occasions, such as fairs, when an exceptional though periodic demand is made on them for cash. Mr. Palgrave (Gurneys & Co., Yarmouth) stated that when the boats were paid off at Yarmouth at the close of the herring fishing, such a demand for cash arose. 'I observe,' he said, 'that in the year 1873, between the 15th and 22nd of December, a period only of seven days, our note circulation at Yarmouth increased £27,000.' This augmentation in the local issue speedily subsided, but the power of meeting sudden demands in such a manner is of great service.

"The use of the circulation to the issuing banks depends thus on many points, which are interwoven so closely with the general conduct of their business as to add greatly to its value."

V.—Banking Deposits and Note Circulation in Scotland compared.

The growth of deposits in the Scotch banks has been very remarkable; the progress of their business in this direction has no doubt been greatly assisted by the power they possess of utilising their note circulation as it may be required. This facility has greatly assisted the extension of the branches of the Scotch banks into every village and little town throughout the country, and beyond any doubt to it is greatly due the vast amount of deposits which the Scotch banks hold, and which they have collected in great degree from remote places where it would not answer the purpose of any bank which does not possess the same privileges to open an office.

The particulars, as far as they can be traced, are as follows:—

BANKING DEPOSITS AND NOTE CIRCULATION IN SCOTLAND.

Deposits.	1841 — 100.	Circulation.	1841 — 100.
1826.....21,000,000			
1841.....27,000,000	100	3,190,000	100
1847.....30,000,000	111	3,550,000	111
1851.....36,000,000	133	3,240,000	101
1856.....54,000,000	200	4,090,000	128
1872.....67,000,000	248	5,320,000	166
1876.....80,000,000	296	6,050,000	190

We observe, therefore, that while the deposits in Scotland have nearly tripled since 1841, the note circulation, though increased, has not augmented in similar proportion; and it is, to say the least, extremely unlikely that the deposits would have increased with anything like the same rapidity had the note circulation not existed and enabled the Scotch banks to cover the country with a net-work of bank offices so close and complete, that it is impossible to imagine that any deposit, however minute, can escape them.

Two of the principal features of Scotch banking, the charging no commission for keeping accounts and the allowing interest on the daily balances, appear, as stated in the evidence of Mr. Davidson, the treasurer of the Bank of Scotland, before the Committee of the House of Commons on Banks of Issue (1875), to be connected more closely with the power of issuing notes. "It is that system," to use Mr. Davidson's words, "which attracts the large amount of deposits that we keep." The economy of "till-money," by employing their own notes, has greatly facilitated the extension of branches throughout the country.

The working of the "cash-credit" system is well exemplified in the following extract from the "Historical Sketch of Scotch Banking," lately published by Mr. Fleming, of the Royal Bank of Scotland:—

"The cash-credit system is both ingenious and simple. To be able, on credit, to draw on your banker as and when you may find necessary, and to be charged interest only for the time you feel it convenient to use the bank's money, is the *ne plus ultra* of banking accommodation. That is the essence of the system which, since 1728, has been largely instrumental in the development of our agricultural and mercantile enterprise. It had its origin, as we see from the first of these minutes; [Mr. Fleming had been referring to the minutes of the directors of the Royal Bank of Scotland instituting the cash credit system, which has ever since been a distinctive feature in Scottish banking. The earliest of them is dated 12th March, 1728] in the desire to encourage trade, and to promote the circulation of the bank's notes. Perhaps if we were to place the latter motive first, we should be doing the directors little injustice; but that it fully accomplished the other object is matter of history. It is also certain that, *on the whole*, cash credits have been granted with such caution in the past that they have proved profitable to the banks as well as most advantageous to the public. But undoubtedly the system never would have been introduced save for note issues. A cash-credit account was* advantageous to the bank mainly through the frequency and extent of the operations upon it—all payments *out* being made in the bank's own notes, and all payments *in* being made in mixed notes. In so far as the notes put out were absorbed by the public, the bank gained the interest as the *quid pro quo* for the use of its credit. But, of course, the moment the legitimate requirements of the public for paper currency were satisfied, advances on cash-credits became a loan not of credit but of capital; for although the advances might be in the form of notes, the superfluity would immediately return on the bank for conversion."—"Scottish Banking. A Historical Sketch," p. 47. By J. S. Fleming.

VI.—Banking Deposits and Note Circulation in Ireland compared.

The course of banking in Ireland can be recorded more exactly than of any other part of the British Dominions. The

* I say *was*, for the Act of 1844 has made a very material change. The banks have now lost the advantage arising from increase or activity of circulation through the operation on such accounts, and cash-credits can only be looked on as one mode of investing their resources.

amounts of the private deposits in the Bank of Ireland and the Belfast, Hibernian, National, Northern, Provincial, Royal, and Ulster banks which follow, are derived from the reports published by Dr. W. Neilson Hancock. The note circulation is added from the annual returns. It should be borne in mind that the arrangements of the Act of 1844 allow the note circulation in Ireland, as in Scotland, to extend itself to the amount which the circumstances of the country require.

BANKING DEPOSITS AND NOTE CIRCULATION IN IRELAND.

	Total amount of deposits.	Note circulation.		Total amount of deposits.	Note circulation.
	£	£		£	£
1840....	5,567,000		1858....	15,131,000	6,183,000
1841....	6,022,000		1859....	16,042,000	6,860,000
1842....	6,416,000		1860....	15,609,000	6,839,000
1843....	6,965,000		1861....	15,005,000	6,265,000
1844....	7,601,000		1862....	14,388,000	5,658,000
1845....	8,031,000	6,949,000	1863....	12,967,000	5,404,000
1846....	8,442,000	7,259,000	1864....	15,263,000	5,594,000
1847....	6,493,000	6,008,000	1865....	18,619,000	5,986,000
1848....	7,071,000	4,828,000	1866....	20,957,000	5,884,000
1849....	7,469,000	4,310,000	1867....	21,794,000	5,811,000
1850....	8,268,000	4,512,000	1868....	22,164,000	6,180,000
1851....	8,263,000	4,462,000	1869....	22,673,000	6,607,000
1852....	10,773,000	4,819,000	1870....	24,866,000	6,879,000
1853....	10,915,000	5,650,000	1871....	27,348,000	7,544,000
1854....	11,665,000	6,295,000	1872....	28,732,000	7,674,000
1855....	12,285,000	6,362,000	1873....	29,210,000	7,076,000
1856....	13,763,000	6,652,000	1874....	31,734,000	6,767,000
1857....	13,113,000	6,821,000			

This statement shows a very considerable and marked increase in the amount of deposits, while there has been really no increase at all in the note circulation. The growth of the deposits is the result of increased wealth and prosperity among the population of the country, and when the amount of the population of that country is taken into consideration, when we remember how small, comparatively speaking, it is, how much it has diminished in recent years, and how widely scattered over a country with comparatively few mining or manufacturing industries, it can hardly be thought that the deposits would have increased to anything like the same extent had not the provincial note circulation existed and enabled the Irish banks to open small offices wherever the circumstances of the country required it. It is quite true that all the banks of Ireland do not possess note circulation, but there can be no doubt of the service the note issue has been to those banks which possess it.

VII.—*Banking Deposits and Note Circulation in Sweden compared.*

Sweden is the only other European country which possesses throughout its whole extent, a note circulation in any way analogous to the note issues in Scotland and in Ireland; and it is worth while to extend our examination beyond our own immediate borders and to observe what the position of banking in Sweden is. The note circulation in Sweden proceeds partly from the Riksbank (bank of the kingdom), and partly from the "Enskilda" banks.

The first Enskilda bank was established in the year 1830. The present banking law of Sweden, which regulates the method on which the banks of that country are founded, the system on which their accounts are published, and to a great degree their method of administration, dates from the year 1864. The completeness and the excellence of its arrangements are due, in a great degree, to the care of Mr. A. O. Wallenberg, who, besides possessing a practical knowledge of banking, is also a member of the Upper Chamber of the Swedish Diet. The notes of the Enskilda banks have a wide circulation over the whole of the country. Sweden is a country with a poor soil, a rigorous climate, and a sparse population. It is a country with fewer natural advantages than Scotland or Ireland; but the progress of banking in Sweden, between 1865 and 1876, which is as far as we can trace it, has been very great indeed. Much of this progress must be ascribed to the power of issuing notes possessed by the Enskilda banks which has enabled them to establish branches in remote villages and districts of that country, and has likewise greatly facilitated the conduct of their business.

The notes of the Enskilda banks of Sweden circulate with the utmost readiness over the whole of the kingdom. The population in Sweden is scattered widely over a very large surface of country, but so good is the credit in which the provincial note circulation is held, that the notes of a bank situated many hundred miles off are taken with the same readiness as those issued in the neighbouring town. The high credit in which the provincial note circulation stands, and deservedly stands, in Sweden, arises from the excellent arrangements in force with regard to the securities held against the notes issued, the stability of the banks which issue them, and the guarantee thus provided that the note circulation is made by solvent institutions. The "regulation of the currency" is effectually provided for by the fact that every note is payable in gold coin at the option of the holder, and that every bank issuing notes is bound under the severest penalties to provide

for cashing those notes whenever legally required. By the Banking Law of Sweden, enacted in 1864, the notes were payable, when presented at the head office of the bank, either, "with coin of the realm or with notes of the Bank of the Kingdom." Among the amendments to this law passed in 1874, was one of the highest importance in preserving the true character of a note circulation: by this amendment the power of paying a note with any other paper money, though that paper were the note of the "Bank of the Kingdom" itself, was taken away, and it was enacted that the notes, when presented for payment at the head office of a bank, should be "paid unconditionally with lawful gold current in the realm." This is a very important alteration, and it proceeds on the correct principle that no note should be payable in anything but sterling money. Subject to the conditions we have indicated the bank-note circulation can be almost entirely unfettered.

The freedom of issue enables the banks to afford to supply their customers with "cash-credits" and bank post bills payable on demand without charge. Such bank post bills are changed with facility by any bank in the country, as every bank knows that the person presenting a bill of this class will be satisfied to take payment for it in the local notes. The trifling profit thus obtained by the banks is sufficient to pay the charge for the transmission of money from one part of the country to another. The charge on the public for sending money from one place to another would, otherwise, in so thinly peopled a country as Sweden is, be a heavy tax on the community. The power of issuing notes has been a most important force in developing the present extension of banking in Sweden.

The progress of the Swedish Enskilda banks was as follows, from the years 1865 to 1876:—

NOTE CIRCULATION, DEPOSITS AND CAPITAL OF SWEDISH ENSKILDA BANKS.

	Notes in circulation.	Deposit accounts.	Current accounts.	Capital.
	£	£	£	£
1865	1,860,000	1,140,000	406,000	2,040,000
1866	1,750,000	1,340,000	421,000	2,250,000
1867	1,910,000	1,630,000	541,000	2,440,000
1868	1,700,000	1,870,000	544,000	2,370,000
1869	1,940,000	2,480,000	940,000	2,760,000
1870	2,230,000	2,890,000	1,240,000	2,780,000
1871	2,680,000	3,770,000	1,390,000	2,830,000
1872	2,985,000	3,880,000	1,058,000	2,517,000
1876	3,400,000	8,025,000	1,332,000	2,956,000

The great support which the commerce and industry of the country have derived from the banking system is evident at a

glance, and it is equally obvious that without the power of issuing notes, banking would have made but little progress in Sweden.

TABLES ILLUSTRATIVE OF THE SUBJECT.

Table A.—Information respecting the proportions of the capital, deposits, and circulation in the principal English issuing joint-stock banks between 1844-74.

- „ B.—Bank of Geneva.
- „ C.—The Bank of the canton of Freiburg, in Switzerland.
- „ D.—Bremen bank.
- „ E.—The resources and liabilities of the “National” Banks of America, 2nd October, 1876.
- „ F.—Bank of France; analysis of returns for 1876.
- „ G.—Imperial Bank of Germany; analysis of returns for 1876.
- „ H.—National Bank of Belgium and National Bank of Austria, yearly averages of monthly returns.
- „ I.—Bank of England; private deposits (after deducting bankers’ balances) from 1844 to 1876.
- „ K.—Exports and imports, Great Britain and Ireland, 1825-1845.
- „ L.—Lowest and highest amounts of circulation of Scotch banks in each year, from 1846 to 1876.
- „ M.—Exports and imports of United Kingdom, amounts passed through the London clearing house, and the total bank note circulation of all the issuing banks in the United Kingdom.
- „ N.—Average rate of discount for “first class bills” for the twenty years, 1825-44.
- „ O.—Monthly averages of rates of discount for first class bills from 1825 to 1844.
- „ P.—Average rate of discount for first class bills, for the ten years, 1825-1834; 1835-1844; and the twenty years, 1825-1844.
- „ Q.—Average minimum rate of discount charged by the Bank of England for the thirty years, 1845-74.
- „ R.—Monthly averages of Bank of England minimum rates of discount, from 1845 to 1876.
- „ S.—Averages of Bank of England minimum rate of discount for the ten years, 1845-54; 1855-64; 1865-74; and for the thirty years, 1845-74.
- „ T.—Bankers’ clearing house returns, 1868-1876.

TABLE A.—INFORMATION RESPECTING THE PROPORTIONS OF THE CAPITAL, DEPOSITS, AND CIRCULATION IN THE PRINCIPAL ENGLISH ISSUING JOINT-STOCK BANKS BETWEEN 1844-74.

PROPORTION OF DEPOSITS held by 36 ISSUING BANKS in 1874, as compared with 1844.

1844 = 100
1874.

1,245	555	425	307	248	196
690	507	406	300	239	175
674	501	381	294	237	175
642	477	348	272	235	173
600	450	328	261	217	160
580	438	327	250	209	143

Total Average, 1844 = 100

„ „ 1874 = 350

650 *Note Circulation in the Conduct of Banking Business.*

REPLIES received from 36 ISSUING JOINT STOCK BANKS in England and Wales, as to the proportion borne by their CIRCULATION to their DEPOSITS in the years 1844 and 1874 respectively.

1844.	1874.	1844.	1874.	1844.	1874.	1844.	1874.
Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
40	7½	22	5	14	5½	11½	2
35	6	22	1½	14	5	11	2½
34	4½	21½	1	13½	5	10½	5
33	11	20	5	13	4	10	2
33	8½	18½	6	12½	3	10	5
31	4	18	5	12	2½	9½	2
26	4	16½	6	12	5	9	3
25	5	15	2½	12	4	8	2½
24	16	14	4	11½	2	8	3

PROPORTION OF CIRCULATION TO DEPOSITS.

Total Average, 1844 17 Per cent.
 " " 1874 4 "

REPLIES received from 36 ISSUING JOINT STOCK BANKS in England and Wales, as to the Amounts of DEPOSITS held by them in the Years 1844 and 1874 respectively, and the Proportion borne by their CIRCULATION to their DEPOSITS at both Dates.

THIRTY-SIX BANKS.

YEAR.	Authorised Issue.	Deposits.	Proportion of Issue to Deposits.
1844	£. 2,021,289	£. 12,008,068	Per Cent. 17
1874	Actual Issue: 1,746,245	42,342,294	4

PROPORTION OF DEPOSITS in 1844 1844=100
 to that in 1874 1874=353

REPLIES received from 25 ISSUING BANKS in England and Wales as to the Proportion of their CAPITAL to their CIRCULATION in 1844 and 1874 respectively.

TWENTY-FIVE BANKS.

YEAR.	Authorised Issue.	Capital.	Proportion of Issue to Capital.
1844	£. 1,149,119	£. 2,064,492	Per Cent. 56
1874	Actual Issue: 949,758	7,223,323	13

STATEMENT as to the Position of 59 BANKS, ISSUING and NON-ISSUING,
in England and Wales in 1875.

Capital	£. 17,591,329	
Reserves	7,849,731	
	25,241,060	
Deposits	129,866,919	Proportion of Capital and Reserves to Deposits, 19½ per cent.
Acceptances and other Liabilities	9,979,653	
Total Liabilities to the Public	139,846,572	Proportion of Capital and Reserves to Total Liabilities, 18 per cent.

REPLIES received from 21 ISSUING BANKS in England and Wales as to the
Amounts of their CAPITAL and DEPOSITS, and CIRCULATION, 1844 and 1874
respectively.

TWENTY-ONE BANKS.

YEAR.	Authorised Issue.	Capital.	Deposits.	Proportion of Capital to Deposits.
	£.	£.	£.	Per Cent.
1844	956,605	1,802,292	5,831,909	31
	Actual Issue:			
1874	766,177	6,130,107	25,009,113	24

TREASURY BILLS.

TREASURY Bills will form important Banking Securities for the
future. The following minute regulating their issue will be of
interest to our readers:—

[Copy of Treasury Minute regulating the Preparation, Issue, and
Cancellation of Treasury Bills under the Act 40 Vict. c. 2.]

Treasury Chambers, }
16 March, 1877. }

W. H. SMITH.

TREASURY MINUTE, DATED 16th MARCH, 1877.

The Treasury Bills Act having received the Royal assent, my
Lords proceed to consider the steps to be taken for giving effect to it.

The 3rd Section gives the Treasury authority to raise by Treasury

Bills any moneys authorised to be raised by Exchequer Bills, and the 6th Section empowers the Treasury to issue Treasury Bills for the purpose of providing or of replacing the moneys, or any portion of the moneys, applied or required to be applied, in the same financial year, in the payment of any Exchequer Bills or Exchequer Bonds falling due to be paid off, or of any Exchequer Bills paid in for duties.

The 8th Section provides that the Treasury may from time to time make regulations for carrying the Act into effect, which regulations are to be laid before both Houses of Parliament, and are to have effect as if enacted in the Act.

The regulations are to provide for the preparation, form, mode of issue, mode of payment, and cancellation of Treasury Bills; for the issue of a new Bill in place of one lost, defaced, or destroyed; for preventing fraud by the use of special paper, or counterfoils, or otherwise; and for the discharge to be given upon payment of a Treasury Bill.

The 4th Section provides that each Treasury Bill shall be for the payment of the principal sum named therein, and at the date therein mentioned (not exceeding twelve months from the date of the Bill), and that the interest thereon shall be payable at such rate and in such manner as the Treasury direct.

The 7th Section directs that Treasury Bills shall be issued by the Bank of England under the authority of a Treasury warrant, to be countersigned by the Comptroller and Auditor-General; that each Bill shall be for the amount directed by the Treasury, and shall be signed by the Comptroller and Auditor-General; in the absence of the Comptroller and Auditor-General the warrant is to be countersigned and the Bills are to be signed by the Assistant Comptroller and Auditor.

In compliance with the recited provisions of the 8th Section of the Act, my Lords are pleased to lay down the following regulations for carrying it into effect, viz. :—

1. Whenever it is required to exercise the powers conferred by the said Act the Treasury will cause notice to be given in the *London Gazette* that tenders will be received at the Office of the Chief Cashier of the Bank of England for the loan on Treasury Bills of such moneys as may be required by the Treasury. Such notices will be published not less than five clear days before the date on which the tenders are to be delivered, and will specify the period for which, and the terms and conditions subject to which, the Bills for such loans will be issued.

2. The Treasury will from time to time instruct the Bank of England as to the form in which the tenders are to be made, and as to any other necessary proceedings in relation thereto. The Treasury will reserve to itself the right of refusing tenders, if it should think proper to do so.

3. The tenders for Treasury Bills will be opened at the Bank of

England in the presence of such person or persons as the Treasury shall from time to time appoint.

4. The Treasury will from time to time give directions to the Bank of England for the preparation, in the form hereto annexed (A), of such Treasury Bills as will be required. They will be printed on a special description of paper to be previously approved by the Treasury, and will be numbered in arithmetical order throughout each financial year, commencing with new numbers in each year.

5. When any tender or tenders for a loan on Treasury Bills shall have been accepted by the Treasury, a Treasury warrant will be prepared and transmitted for the countersignature of the Comptroller and Auditor-General, in the form (B) annexed, or to the effect thereof, authorising the Bank of England to issue such number of Treasury Bills and for such amounts as are therein specified.

6. When authority has been given to the Bank for the issue of Treasury Bills, prepared under the directions of the Treasury, the necessary arrangements for obtaining the signature of the Comptroller and Auditor-General to the Bills will be made between the Comptroller and Auditor-General and the Governor and Deputy-Governor of the Bank of England, such signature to be affixed in the presence of such public officer or other person as the Treasury may from time to time approve.

7. The Bills, when completed, will be delivered at the Bank of England (upon the directions of the Treasury and upon receipt of the sums therein specified) to the order of the person or persons whose tenders for the same have been accepted.

8. The amounts received by the Bank for Treasury Bills sold will be carried to the account of Her Majesty's Exchequer (as provided by the 5th Section of the said Act).

9. When the consideration allowed for the money advanced on Treasury Bills takes the form of interest prepaid, it will be necessary to make provision for showing the amount of such consideration in the Public Accounts; and the Treasury will in such case direct the issue from the Exchequer and the repayment thereto (in full of the principal moneys raised by the issue of Treasury Bills) of the amount of the interest prepaid upon such Treasury Bills.

10. The principal sums of Treasury Bills will be payable at the Bank of England on the dates specified in the Bills, without grace, and the discharge for the payment of such Bills shall be an acknowledgment of receipt, to be given on the back of the Bills, or on a schedule of the numbers and amounts of the Bills.

11. Treasury Bills will, upon payment by the Bank of England, be cancelled in such manner as may be determined upon by the Governor and Deputy-Governor of the Bank, and the Treasury will from time to time, upon an application from the Bank, direct cancelled Treasury Bills to be destroyed, and the chief cashier of the Bank will certify to the Treasury the particulars of the Treasury Bills so destroyed. .

12. When, upon any representation made by any person or persons, the Treasury has reason to believe that any Treasury Bill has been lost, destroyed, or defaced, the Treasury will cause a warrant to be prepared authorising the issue of a duplicate of such Bill, and will give directions for the delivery of such duplicate Bill to the person or persons applying for the same, upon the execution by them of the usual bond of indemnity.

Transmit copy of this minute to the Comptroller and Auditor-General, and to the Governor and Deputy-Governor of the Bank of England, for their information.

(A.)

A. 0000. 1.

Due 18

A. 0000. 1.

£ _____

£ _____

By virtue of an Act 40 Vict. c. 2.

London, 18

This Treasury Bill entitles* _____
or order to payment of _____ pounds
at the Bank of England out of the Consolidated Fund on the
_____, 18

Signed _____
Comptroller and Auditor-General.

In presence of _____

* If this blank be not filled up, the Bill will be paid to bearer.

(B.)

[FORM OF TREASURY WARRANT authorising the issue of TREASURY BILLS.]

By virtue of the Treasury Bills Act, 1877 (40 Vic. c. 2), you are hereby authorised to issue Treasury Bills (prepared in accordance with the provisions of the said Act, and the regulations for giving effect to the same prescribed by the Lords Commissioners of Her Majesty's Treasury) for the total sum of _____ pounds, as follows, viz. :—

_____ Bills for £ _____ each.
_____ Bills for £ _____ each.

The said Treasury Bills are to bear date the _____ day of _____, 18____, and are to be payable at _____ months after date, that is to say, on the _____ day of _____, 18____; and they are to be delivered to such person or persons as shall be signified in the directions of the Lords Commissioners of Her Majesty's Treasury, upon

payment to you, for the account of Her Majesty's Exchequer, of the sums for which the said Bills are issued.

Treasury Chambers, Whitehall,

18

(Countersignature.)

Comptroller and Auditor-General.

Commissioners of H. M. Treasury.

To the Governor and Company of the Bank of England.

THE TRANSACTIONS OF THE BANK OF FRANCE FOR 1876.

REPORT OF M. ROULAND, THE GOVERNOR AND MM. THE CENSORS.

[Amounts in francs are converted in this translation as 25 = £1.]

*General Meeting of the Shareholders of the Bank of France on
January 25th, 1877.*

STATEMENT OF THE TRANSACTIONS OF THE BANK OF FRANCE AND OF ITS BRANCHES DURING THE YEAR 1876.

GENTLEMEN,—The board of directors, elected by you, desires to give you an account of the position and transactions of the Bank of France during the year 1876. It thus fulfils the duty imposed on it by Article 24 of our statutes.

A year ago, on the corresponding occasion, we informed you of the considerable decrease in our transactions, which began in 1874, and became more noticeable as the year 1876 went on. We regret to have to state a still further decline in 1876. It is true that this state of matters is the more marked, as we are accustomed to take as a basis of comparison those four years which, following 1871, represent quite exceptional transactions and results. Moreover, the events and the causes which govern the course of commerce and industry, the increase of the charges imposed on the bank either under the head of taxes or by necessary expenses for the rapid and complete extension of our offices in the Departments, are so many actual facts to be considered, before the force of which we must bow, while waiting till the return of confidence, and the resumption of transactions and trade in Europe, as well as throughout the world, may have restored to our country also a larger increase of general prosperity.

Before entering into the details of this statement, allow me, gentlemen, to state to you the elections with which you will have to proceed. You will have to elect :

1st. A censor for three years, in the place of M. Moreau, whose term of office expires.

2nd. Three Regents for the space of five years in the place of M. Davillier, the Comte de Germiny, and M. Legrand de Villers, whose statutory period of office has terminated.

656 *The Transactions of the Bank of France for 1876.*

We would remind you that MM. Moreau and Davillier, the Comte de Germiny, and M. Legraud de Villers, are re-eligible.

PARAGRAPH 1.—*Total of transactions.—Their aggregate both in Paris and at the Branches.*

The transactions for the year 1875 represent an aggregate of	£466,293,196
They amounted for the year 1876 to... ..	£366,673,356
Hence, there has been in 1876, a decrease of	<u>£99,619,840</u>

PARAGRAPH 2.—*Rate of Discount.*

The rate of discount which had been fixed at four per cent. on the 4th of June, 1874, was reduced to three per cent. on the 26th of May, 1876, and has remained unaltered since. The rate on advances has been fixed at four per cent. since the date last mentioned.

PARAGRAPH 3.—*Discounts of commercial Paper and Bills.*

Compared with 1875, the sums under discount in Paris and the Branches represent a decrease of	£90,329,924
In 1875 they were, including warrants of the Mint ...	£384,810,020
In 1876 they were only	<u>£294,480,096</u>

PARIS.

The number of trade bills admitted to discount at Paris was 3,204,150, representing a sum of... ..	£100,857,216
Being on an average for each bill	£31 9s. 2d.
These bills may be subdivided thus:—	
1,244,868 bills on towns where there are branches of the bank, amounting to	£28,200,559
1,959,282 bills on Paris, amounting to	<u>£72,656,657</u>
3,204,150 bills in all for	<u>£100,857,216</u>

Of this last-named number of bills there were:—

6,831 bills of 8s. 4d. and below.
419,489 „ from 9s. 2d. to £2.
389,503 „ „ £2 10s. to £4.
2,388,327 „ above £4.

3,204,150

That is to say about one-fourth in bills below £4 0s. 10d.

BRANCHES.

At the branches, the number of bills admitted to discount was £3,189,393, representing a sum of £124,728,939, being on an average, £39 2s. 3d. for each bill.

On the 31st of December, 1875, the united amount of commercial

paper, both at Paris and the branches, reached a total of £26,572,000 (not including in this Treasury warrants for £23,004,000).

This is the maximum amount held during the year.

The minimum, on the 16th of September, was £13,404,000 (not including Treasury warrants).

To-day, the 25th of January, 1877, the united amounts of commercial paper, both at Paris and the branches, represent a total of £19,524,000 (not including in this Treasury warrants for £13,552,000).

We have said above that the number of commercial bills *admitted to discount* at Paris, during the year 1876, amounted to ... 3,204,150
For a sum of ... £100,857,216

The number of bills *presented for discount* was ... 3,227,440
For a sum of ... £102,523,016

There have therefore been fewer bills *presented for discount* than paid in by ... 23,290
For a sum of ... £1,665,800

This difference consists of those bills which were rejected by the Board. But it is well to remember that among these 23,290 rejected bills, 7,133 bills, amounting to the sum of £238,924, were excluded only on account of irregularities, and that after the irregularities had been rectified, these bills were presented again.

This virtually reduces the rejected bills to the number of 16,157 for a sum of £1,426,872, which is but a very small fraction on the amount presented.

It follows from the amounts which have been stated that, after deducting the transactions in Treasury warrants, which amount to a total of £68,891,800, and the warrants of the Mint for £2,140, the amount of commercial paper discounted reached the sum of £225,586,156.

This is less than in 1875 by £47,485,184.

It should moreover, be stated that the average currency of the bills was shorter in 1876 than in 1875.

In 1875, the currency of the bills on Paris was on an average 34 days, and of the bills at the branches 26 days, whereas in 1876, the average was reduced to 32 days for bills on Paris, and 25 days for bills on the branches.

You will remark, gentlemen, that this year as last, the decrease of our transactions applies particularly to the amount of commercial paper discounted. This is owing to the fact that our discounts reflect in reality the activity or slackening of business. And it is almost useless to repeat on this point, which is a matter of public notoriety, that our exports have diminished, and that the internal trade of the country has slackened for the present moment. But, beyond these considerations, we ought not to lose sight of the new conditions which, under the existing sway of present circumstances, impose themselves on the operations of credit, and on the mode of payment of commercial liabilities. We mentioned to you last year that the capital formed by the savings of the country, and which becomes more important as it gradually accumulates, passed but little into circulation, and shrank, so to say, from transactions at long dates or in foreign countries; that it was invested either in Government stocks, or in good commercial securities, which could be readily realised when opportunities were favourable; and that finally, the owners of capital were content with a very low rate of interest, in order to obtain perfect security and a ready facility of realisation. The Bank of France, we added, thus loses much excellent paper which formerly made its way to it to be discounted. The Bank suffers a further loss because the private banks and credit institutions

over stocked with money on account of the deposits which they accept, re-discount as little as possible or re-discount bills quite close to maturity. No one is ignorant, gentlemen, that this state of affairs has been even more marked in 1876 than before; and however prudent and skilful men may be, they cannot contend against the force of events. But it cannot be too often stated that these events are transient and temporary, and it is but reasonable to believe, as experience justifies us in doing, in the return of a considerable improvement of commerce, of industry, and of all the productive powers of the country.

It is as well to bear in mind, at the same time, that the gradual raising of the stamp duty has contributed much to diminish the number of commercial bills which can be discounted. Commerce and industry, finding this duty too heavy for them to bear, have sought therefore how far they can lawfully endeavour to avoid its incidence. Hence arises the very great increase of checks, the statement of debts or liabilities solely by letters or invoices, which do not pass into circulation, and are paid immediately on demand, and finally by employing in the settlement of commercial transactions, those other means which dispense with the use of negotiable documents, bills payable to order, and letters of exchange. We hope that the solicitude of the Government for the welfare of the country will be soon able, by new arrangements, to diminish the stamp duty on commercial paper. We believe that such a step would prove advantageous to the Treasury itself.

PARAGRAPH 4.—*Advances on Public Securities, Railways, &c.*
(*Paris and Branches*).

The transactions of this description have been smaller than those of the year 1875.

They amounted for that year to the sum of	..	...	£13,098,244
They were in 1876 a sum of	...	...	11,600,848

Being a decrease of	...	...	...	£1,397,396
---------------------	-----	-----	-----	------------

Which is subdivided as follows:—

ADVANCES:—

	1876.	1875.	Decrease.
On Treasury Warrants and other securities	£1,503,020	£1,623,948	£120,928
On Government Stock	5,471,496	6,299,944	828,448
On Railway Ditto	4,339,952	4,873,912	533,960
On Bonds of the Credit Foncier	286,380	300,440	14,060
	<u>£11,600,848</u>	<u>£13,098,244</u>	<u>£1,497,396</u>

During the year 1876 the rate of interest for advances has been maintained at 1 per cent. above the rate of discount for commercial bills, that is to say, at 5 per cent from the 1st of January till the 25th of May, 1876, and at 4 per cent. from the 25th of May up to the present day.

The total amount of advances at Paris was in the aggregate on the 23rd of December, 1876, £1,847,436. These advances were made to 8,043 borrowers, which gives on the average to each advance, say £229 12s.

PARAGRAPH 5.—*Metallic Reserves.*

The cash held at the bank and the branches was on the 27th of December, 1875, the day on which the transactions for 1876 commenced, £66,884,000.

This is the minimum amount held during the year.

The maximum, on the 23rd of December, 1876, was £37,316,000.

The total of the cash held is to-day, 25th January, 1877, £37,664,000.

There is therefore an increase of nearly £20,440,000, and the causes of this continued increase of our metallic plethora have not altered. The rate of exchange has continued as in the past favourable to France, and if we may not attribute this result to the balance of mere commercial transactions, because the exports have diminished, it must, beyond doubt, be connected with the market fluctuations of the sale of public funds and negotiable securities between France and foreign countries. We can state with certainty that a sum of £20,416,000, proceeding from abroad, has been paid into our tills; in this we do not include what we may have received through the working of current accounts, but of which we have not been able to state the actual origin. This sum of £20,416,000 was composed of £18,620,000 in gold, and £1,796,000 in silver.

We may add, gentlemen, that our metallic reserves are so much the greater as the country, strong in its confidence in the note circulation of the Bank of France, continues more than ever to prefer our notes to gold and silver, because nothing can be more convenient, both for the purpose of holding, remitting, and paying money. Fortunate as the bank is in this absolute confidence which the public reposes in it, it ought not and must not lose sight of the enormous interests of the country which are based on the metallic circulation; it must not forget that it is bound within a short time to renounce the forced currency and to resume payments in specie. The bank is bound to restore as far as possible that normal equilibrium which is the universal basis of credit between gold and silver, and the note circulation; the latter should be only supplementary to specie. This is the reason why we have put into circulation, during the year 1876, a sum of £46,400,000; £25,120,000 of which was in gold, and £21,280,000 in silver, partly to continue the withdrawal of our small notes which have been exchanged for specie, partly to satisfy special demands for small metallic change, and finally to facilitate the use of this small change. We have thus provided to the best of our abilities against anything that may happen, leaving to economic laws that influence which they exercise absolutely.

PARAGRAPH 6.—*The Note Circulation.*

The total circulation of notes issued by the bank and its branches on the 27th of December, 1876, the day on which the transactions of 1876 commenced, was £94,980,872.

This is the minimum amount during the year.

The maximum, on the 30th of November, 1876, was £104,686,008.

It is this day, 25th January, 1877, £106,478,344.

The notes are as follows:—

6 Notes of £250 equal to		£1,500
1,101,123	40	44,044,920
483,737	20	9,674,740
3,410	8	27,280
11,893,648	4	47,574,592
2,002,765	2	4,005,530
39,810	1	39,810
1,301,259	say 16s.	1,041,007
257,724	say 4s.	51,545
1,268	of forms out of date	17,720

17,084,750 Notes for

£106,478,644

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It must not be forgotten that the law of the 15th July, 1872, raised the maximum limit of our note circulation, formerly fixed by the law of the 29th December, 1871, at £112,000,000 to £128,000,000.

PARAGRAPH 7.—*General movement of Specie, Bills and Clearings at the Central Bank.*

The total of these movements has been lower than during the year 1875.

They amounted in that year to £1,843,210,220.

In 1876, they amounted to £1,653,512,140,
namely :—

	1876.	1875.
Clearings	£1,002,419,808	£1,154,293,164
Notes	596,340,184	641,834,056
Specie	54,752,148	47,083,000
	£1,653,512,140	£1,843,210,220

Difference less in 1876, £189,698,080.

This is subdivided as follows :—

Specie more ... ..	... ..	£7,569,148
Clearings less	£151,873,356	
Notes less	45,493,872	
	£197,367,228	

Decrease, as stated above ... £189,698,080

PARAGRAPH 8.—*Drafts on Demand.*

In 1875 the number of these drafts taken at Paris		
was ... ..	... ..	1,367,000
The amount was	£46,257,140	
In 1876 the number was ... ..	... ..	1,509,203
For an amount of	£56,434,296	
More in 1876—		
In drafts ... ..	... ..	142,203
In money	£10,177,156	

You will find in this the proof of a fact which we explained to you before; namely, that the amount of drafts on demand indicates the abundance of money ready to be placed in negotiable securities, the other banks not requiring to employ their credit, and each one of them endeavouring to await the moment when their bills become due, without having recourse to discounts at a long date from the bank of France.

PARAGRAPH 9.—*Current Accounts.*

In 1876, the current accounts at Paris were at their maximum, on the 25th July, at	£19,504,000
The minimum on the 1st February was	£8,236,000
In 1875, the maximum had been on the 10th February	£22,048,000

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The minimum on the 16th August		£6,172,000
The maximum of the current accounts collectively at Paris and the branches was on the 25th July, 1876		£20,944,000
The minimum was on the 1st February	... ..	£9,504,000
The total of the current accounts collectively at Paris and the branches, both those of the public generally and the Treasury, is to-day, the 25th January, 1877	... ..	£19,368,000

PARAGRAPH 10.—*Bills payable to order drawn by the Bank on the branches, and vice versâ, and clearings.*

In 1875, bills to order and clearings effected by the Central Bank, and its branches, amounted, including the amounts paid in by the Treasurers-general, to the sum of	... ..	£63,007,456
In 1876 they amounted at Paris to	£7,146,356	} £58,246,348
And at the branches to	£12,502,596	
The payments of the Treasurers-general amounted to	£38,597,396	

There is thus in 1876 a decrease of £4,761,108

This shows the very sensible influence of the multiplication of checks for payments due from one place to another, and the indication of a smaller movement of capital.

We mention this here only to remind you of a new measure which we considered ourselves bound to adopt for the good of the public; and which consists in authorising our branches to supply bills payable on demand to order and drafts on the other branches.

We believe that this measure, which was only put into force in the month of July of the past year, will have the double advantage of being useful to the public and profitable to the bank.

PARAGRAPH 11.—*Receipts in Paris (Drafts on Demand included).*

In 1875 the Drafts received amounted in number to	3,927,959
For a sum of	£298,401,312
In 1876 the Drafts were in number	3,942,654
For a sum of	237,475,766
Difference in 1876 :—	
Increase in the number of bills	14,695
Decrease in the amount	£60,925,546

The largest amount of sums received during the year 1876, was on the 30th September,—the 1st October being a holiday.

This amount reached the sum of £4,903,187, and consisted in number of 139,764 Bills, which had to be presented at 50,662 dwellings.

The largest number of Drafts received was on the 31st October, the 1st November being a holiday. It consisted of 145,056 Drafts, which amounted to a sum of £4,287,549, and had to be presented for payment at 50,661 dwellings.

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PARAGRAPH 12.—*Bills overdue, Paris.*

On the 27th December, 1875, on which day the operations of 1876 began, the account of Bills overdue reached the sum of £337,340

There has been added to the debit of this account, during the year 1876, a number of bills amounting to 202,230

Total to the debit	... ..	£539,570
The amounts received on these bills during the same period have amounted to	... ..	£114,120

Moreover there has been taken in June and December 1876 from the reserves set apart for this purpose towards writing down the said bills a sum of £112,630

Total	... ..	£226,750	£226,750
Which reduces the sums standing on this account to	... ..		£312,820

Bills overdue at the Branches.

The total value of these bills amounted, at the moment when the transactions for 1876 began, to £15,373

There has been added to this during the course of the year £43,564

Total	... ..	£58,937
Of this there has been received	... ..	£33,432

Which has reduced the amount to £25,506

We have thought it advisable to apply to reduction of the amount of these bills a sum, taken from the reserves which had been set apart for this purpose, of £7,040

Hence, on the 27th December, 1876, the amount of these bills was only £18,465

Payments received on account of Bills overdue before the 24th June 1871.

The payments received in Paris and at the branches, on account of bills of this nature, during the year 1876, have amounted to the sum of £1,561. These payments, being on account of bills which had been completely written off by sums set apart for that purpose, hence are to the credit of our "profit and loss" account, and form part of the dividend distributed to you on the 2nd January, 1877.

PARAGRAPH 13.—*Transactions on Deposits of Shares.*

The number of shares held on the 23rd December, 1876, amounted to	... ..	2,057,517
Representing a value of	... ..	£49,300,595
On the same date of the year 1875, it amounted to	... ..	2,066,468
For a sum of	... ..	£48,366,132
This is, for 1876, a decrease in number of shares of	... ..	8,951
And an increase in value of	... ..	£934,463

These shares, of 1,121 different descriptions, belong to 20,009 depositors.

In the number of 2,057,517 shares deposited at the bank, those are not included which are pledged as securities for advances, and which amount to 159,727, representing a value of £4,320,617.

These shares are of 64 different kinds. The arrears received by the bank, both for shares deposited as well as for those which are held as security for advances, represent a sum of £2,114,889 for 3,998,622 coupons and shares to bearer.

The branches, independently of arrears and coupons, which they have paid themselves, and which for this year amounted to £369,448, have transmitted to the head office in order to obtain the amounts, 76,441 coupons, which reached the sum of £40,160.

The branches at Bordeaux, Lyons, and Marseilles, where the business of depositing these is carried on, held on the 23rd December, last 494,769 shares, of a value of £9,900,600, belonging to 5,316 depositors, that is to say 2,831 shares less, and 126 depositors more, than in 1875.

PARAGRAPH 14.—*The Branch Banks.*

The operations of the Branch Banks amounted in 1875 to	£212,184,020
In 1876 they were	181,396,324

Being a diminution in 1876 of	£30,787,696
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Our five principal branch banks continue to occupy the first place with regard to the importance of the business carried on in them. One change of position, however, has to be pointed out, namely that Bordeaux has taken the second place, occupied formerly by Lille, and that the latter branch has taken the third place instead of Bordeaux. The results are as follows :

<i>Marseilles.</i> —The transactions at Marseilles, amounted in	
1875 to	£28,383,028
In 1876 they were	17,203,832
Decrease in 1876	£11,179,196

<i>Bordeaux.</i> —In 1875 the transactions amounted to ...	
They were in 1876	£17,260,420
Decrease in 1876	15,288,184
Decrease in 1876	£1,972,236

<i>Lille.</i> —In 1875 the transactions amounted to ...	
They were in 1876	£21,004,908
Decrease in 1876	14,105,332
Decrease in 1876	£6,899,576

<i>Lyons.</i> —In 1875 the transactions amounted to ...	
They were in 1876	£14,384,772
Decrease in 1876	13,334,172
Decrease in 1876	£1,050,600

<i>Havre.</i> —In 1875 its transactions amounted to ...	
In 1876 they were only	£12,695,628
Decrease in 1876	11,016,312
Decrease in 1876	£1,679,316

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Twenty six branches have been carried on at a loss.

They are the following :—

<i>Annonay</i>	...	...	...	...	...	...	...	£808
<i>Aubusson</i>	...	...	...	...	...	...	...	1,113
<i>Anch</i>	...	...	...	...	...	...	...	890
<i>Avignon</i>	...	...	...	...	...	...	...	1,066
<i>Bar-le Duc</i>	...	...	...	...	...	...	...	135
<i>Bastia</i>	...	...	...	...	...	...	...	326
<i>Beauvais</i>	...	...	...	...	...	...	...	732
<i>Blois</i>	...	...	...	...	...	...	...	716
<i>Bourges</i>	...	...	...	...	...	...	...	574
<i>Brest</i>	...	...	...	...	...	...	...	403
<i>Châlons</i>	...	...	...	...	...	...	...	516
<i>Chartres</i>	...	...	...	...	...	...	...	940
<i>Chaumont</i>	...	...	...	...	...	...	...	634
<i>Clermont-Ferrand</i>	...	...	...	...	...	...	...	289
<i>Dijon</i>	...	...	...	...	...	...	...	640
<i>Lons-le-Saulnier</i>	...	...	...	...	...	...	...	756
<i>Lorient</i>	...	...	...	...	...	...	...	524
<i>Montauban</i>	...	...	...	...	...	...	...	93
<i>Nice</i>	...	...	...	...	...	...	...	634
<i>Perpignan</i>	...	...	...	...	...	...	...	970
<i>Poitiers</i>	...	...	...	...	...	...	...	276
<i>Saint-Brieuc</i>	...	...	...	...	...	...	...	688
<i>Saint-Etienne</i>	...	...	...	...	...	...	...	656
<i>Toulon</i>	...	...	...	...	...	...	...	515
<i>Versailles</i>	...	...	...	...	...	...	...	136
<i>Vesoul</i>	...	...	...	...	...	...	...	1080
Together ...								<u>£16,104</u>

We have to remark, gentlemen, that a great number of these branches are of recent creation; some of them, indeed, like those of Auch and Perpignan, have only just been opened to the public. It is important to remember also that each one of these branches is charged with the proper share of its preliminary expenses, and this amount is larger in proportion to the shortness of time the business has been established. We had further foreseen the difficulty of balancing the receipts and expenses during the first years of the operations of the branch banks, established so rapidly and in great numbers in those departments, which are the least wealthy and carry on the smallest amount of business. But the law of 1871 did not halt at these difficulties, and we have been bound to submit to the law, forming besides a reserve to assist the liquidation of the preliminary expenses.

The bank possesses to-day 76 branches carrying on business.

Two others, as those of Tarbes and Le Puy, are on the point of commencing operations.

The resolutions, establishing 12 other branches, have been passed, and are about to be carried into execution.

These branches are :—Aurillac, Belfort, Bourg, Cahors, Digne, Foix, Gap, Meaux, Mende, Mont-de-Marsan, Roche-sur-Yon (la), and Tulle.

This will establish a total of 90 branches.

The Bank of France thus continues to carry out loyally, and to the utmost of its ability, the laws of 1857 and 1873.

PARAGRAPH 15.—*The expenses of the Central Bank and its Branches.*

The expenses of the Central Bank have amounted to	£362,375
Those of the branches to	227,266
Total ...	£589,641
Deducting from this the expense of the transport of specie, which amounts to	4,724
The ordinary expenses are in consequence	£584,917
Among these the taxes, paid to the State for stamp duty on the notes of the bank in circulation, and the taxes and duties on the dividends alone amount to	£195,585
This reduces the ordinary expenses to	£389,332

Taking the whole of the total expenses into consideration, it will be seen that, in comparison with 1875, this amount has been increased by the sum of £7,041, which is the inevitable result of the creation and opening of several new branches. But it is essential to remark, that in 1875, we had reduced our expenses by a sum of £78,609, and that this economy, for the larger part, still continues in 1876.

Different taxes paid by the Bank of France to the State in 1876.

DETAILS.	SUMS.
"Contributions directes"	£10,772
Duties on the issue of new shares	2,190
Stamp duty on bills in circulation	149,306
Tax of 3 per cent. on the dividend	32,737
Adhesive stamps for receipts	160
Tax on the paper for notes	60
Tax on the paper for printed forms	360
	£195,585

PARAGRAPH 16.—*Dividends.*

The dividend for the first half-year of 1876 has been	£3	10	2 per share.
That for the second half-year	2	9	5
Total for the year	£5	19	7 per share.
The tax paid for the two half-years has been	3	7	
The amount divided for the year has been therefore	£5	16	0 per share.

It has been divided among 22,259 shareholders, representing 182,500 shares, of which 105,800 belong to proprietors who have the free disposal of their property, and 76,700 belong to minors, to persons interdicted from the conduct of their own affairs, to married women, and public bodies.

It is worthy of notice that the number of shares held under legal

authority, directed by the courts of law, by the "Conseils de famille,"* or in the interest of settlements made on women, have scarcely altered in 1876, in spite of the reduction in the dividends, and that our shares have continued to be considered as an investment of the first rank and the highest security.

PARAGRAPH 17.—*Officials.*

We have had to deplore serious breaches of trust at two of our branches owing to the carelessness or over confidence of two directors. One of the two guilty officials has committed suicide, the other has been given up to justice; the directors, who have resigned their situations, will have to bear their proper responsibility. Still these deviations from the path of duty, which are happily so unusual amongst the men attached to the service of the bank, ought not to prevent us from rendering full justice to the zeal, the devotion, and the application of our principal managers, and our officials of all ranks. The regular gradation of duties requires from all concerned, orderly, regular work, and unwearied watchfulness in the midst of countless details. Exactness, honesty, and a feeling of professional duty continue to distinguish the officials of the bank of France, and we have satisfaction in offering them the testimony they deserve.

We have also much pleasure, gentlemen, in expressing the sincere and lively thanks of the Bank of France to the members of the Board of Discount at Paris and to the Administrators and Censors of our branches. They give us the support of their experience and their knowledge. Their active and devoted assistance contributes powerfully to the good management of the operations of the Bank of France. We beg them, therefore, to accept the expression of our gratitude.

GENTLEMEN,—The statement we have just submitted to you, and which places before you completely and faithfully the situation of the Bank of France, would suffice, if there were any necessity for it, to re-assure the public as to the present and future position of this great institution. The development of industry and its profits are at this moment at a stand-still in France—France but shares the same fate with England, which is the most active and commercial country of the world. These two nations unfortunately feel the consequences of the embarrassed circumstances which prevail amongst the other nations of Europe, and in every part, both of North and South America, where we had established a vast market for our exportations. Still France remains favoured above all other nations, by her spirit of economy and thrift, by the power of her genius, by her taste applied to all branches of national industry, by the prudence of her conduct, and finally by the admirable fertility of her soil. France also takes little heed of temporary embarrassments of which the cause cannot be imputed to her, and she awaits in the full confidence of strength till these vicissitudes, the sources of which are external to her, will disappear under the influence of better conditions in the commercial world. The

* *NOTE.*—When a child under age who has not judicially been declared responsible for his acts is left without father, or mother, or guardian chosen by his parents or male ancestors, the *Conseil de famille* (council of the nearest relations) will be convoked. See paragraphs 406, 406 and 407 of the *Codé civil* (Napoleon). The *Conseil de famille* will consist, not including the justice of the peace, of six relations or connexions taken from the Commune where the wardship will be established, or within a distance of two myriamètres (i.e., about 12 English miles), half of the paternal, half of the maternal side, and following the order of proximity in each line. The relations will be preferred to the connexions by marriage of the same degree, and amongst the relations of the same degree the older will be preferred to the younger.

Bank of France can but reflect exactly the fluctuations of commerce and industry. She thus moves in accord with the country, whether her gains increase or decline. The Government, with an intelligent desire to promote the prosperity of the public, will endeavour, at the very first opportunity, to diminish the charges which press heavily on business, and in favouring thus the expansion of commerce, it will reduce those charges which weigh down the Bank of France, bound by an intimate union with the requirements and interests of the nation.

We hope that after the explanation just given, the meeting will have a fresh opportunity for congratulating itself on the prudent and fore-sighted measures which we took in the years of exceptional prosperity, and which it has ratified several times. There has been sold out from the special reserve of £960,000, set apart for the purpose of re-inforcing the dividends when they are too small, and to keep the price of our shares at a suitable level, to make up the last dividends of the second half-year of 1875 and of the first and second half-year of 1876, £12,662 *rente* 5 per cent. stock, which has produced a capital of £266,800.

There remains, therefore, to-day, a reserve which may be disposed of, forming a capital of £707,768, represented by £24,508 *Rente* of 5 per cent. stock, and by £13,500 *Rente* of 3 per cent. stock. It is as well to add that these stocks, which we estimate here at their purchased value, would realise at the present market price, a capital of £844,680, showing an increase in value of about £136,000.

With regard to the reserve applicable towards writing off of the bills overdue, it still amounts, after all our previous deductions, to the sum of £278,450, being thus nearly £280,000.

Finally, gentlemen, the details of accounts which accompany our annual statements, remind you that the Board, watching over all contingencies, had reserved with your express approbation a certain sum to assist the branches in lessening the heavy burden of the liquidation of their preliminary expenses, and thus also in diminishing the cost of their administration. All these reserves, which represent a sum of £1,400,000, are invested in such a manner as to produce a return up to the moment when they are required, and at the time when I have the honour to address you, the Board has just settled the form of investment for these amounts which will be most advantageous to them. We are desirous finally, as much as lies in our power, to seize the earliest opportunity of reducing our expenses in a considerable degree. By acting thus, we only fulfil our duty, but in fulfilling it with prudence and devotion, we rejoice to be able to believe in the good management of the business of the Bank of France, and that it continues to offer every guarantee of security to the commerce and industry of the country.

The public Treasury has also continued and even anticipated the discharge of its liabilities towards the Bank. It owed on the 24th January, 1876, a sum of £22,255,000. There remains only a debt of £13,520,000 at this moment.

Such is, gentlemen, the statement of the transactions for the year 1876. We annex documents and statistical statements in support of it.

Banking and Commercial Law.

NOTE OF A NEW LEGAL DECISION.

DONATIO MORTIS CAUSA—CHEQUE GIVEN BY TESTATOR ON HIS DEATH-BED.—Testator, while in a foreign country, and during his last illness, drew two cheques on his London bankers, in favour of his wife or her order. The wife, in his lifetime, discounted the cheques with a foreign banker. After testator's death the holders presented the cheques in London, when payment was refused, on account of the drawer's death. The widow thereupon refunded the amount she had received on the cheques, and claimed to be paid the amount of the cheques out of the testator's estate. Held, that the testator intended to make an immediate gift of the amount of the cheques, and that the widow was entitled to payment of the amount out of the testator's estate. (*Rolls v. Pearce*, 36 L. T. Rep. N. S. 438. Chan. Div.).

TWYECROSS v. DREYFUS.

Wednesday, April 18, 1877.

(Before the COURT OF APPEAL.)

Bonds of foreign government—Property in hands of agent in England—Charge in favour of bondholders—Principal and agent—Jurisdiction.

Plaintiff was the holder of some of the bonds of a loan issued by the Government of Peru, and the defendants were agents in England of that government. Each bond contained a statement that "as a guarantee for the fulfilment of the obligations contracted in this bond, the Government of Peru, under the national faith, pledges the general revenue of the republic, and especially the free proceeds of the guano in Europe and in America after the engagements which it has contracted on them are covered;" and that "in all contracts which the government may enter into for the sale of guano, or under whatever form the sale may have, it binds itself to direct that there be set aside out of the proceeds of each half year a sum sufficient for the service of the half year; and, after such service being secured, to dispose freely of the surplus." The interest on the bonds had fallen into arrear.

The plaintiff's statement of claim alleged that the guano had been forwarded by the government to the defendants, and received by them for the purpose of meeting the interest on the bonds; and that the guano, or the proceeds of sale in the hands of the defendants became applicable, and ought to have been applied by them, in the first place, in

payment of the unpaid interest due on the bonds. Notice of the action had been given to the Republic, but they made no claim to the guano or moneys in the defendants' hands. The defendants claimed a charge or lien on the guano or the proceeds of sale thereof.

On demurrer to the statement of claim,

Held (affirming the decision of Hall, V.C.), that the bonds were engagements of honour by the foreign government, and did not contain any contract enforceable by the courts of this country, nor by the courts of the country which issued them, without the consent of the government. The bonds, therefore, gave the plaintiff no right of action.

The pledge, such as it was, in the bonds, was made expressly subject to prior engagements, which must include the expense necessary for carrying on the government.

The defendants were agents of the Republic, and an agent could not be sued in the absence of the principal; and as, in this case, the principal was a foreign government, it could not be sued at all.

THIS was an appeal from a decision of Vice-Chancellor Hall. The action was brought by Mr. James Twycross on behalf of himself and all others the holders of the bonds of the Republic of Peru forming the Six per Cent. Loan of 1870, against Messrs. Dreyfus Brothers, Messrs. J. Henry Schröder and Co., and the Peruvian Guano Company (Limited), in order to obtain a declaration that the plaintiff and the others persons on whose behalf he claimed to sue had, by virtue of their bonds, a first charge on the guano, moneys, funds, and securities now in possession of the defendants, in priority of any claim on their part, and to have such guano, funds, and securities sold, and the proceeds, together with such moneys, applied in payment of the interest due on their bonds, and to have their bonds, enforced as to the court might seem just. According to the statement of claim the prospectus, on the faith of which the plaintiff purchased his bonds, was issued by Dreyfus Brothers and J. Henry Schröder and Co., as agents for the Peruvian Government in June, 1870. It announced the issue by the Government at the price of 82½ per cent. of £11,920,000 Six per Cent. Consolidated Bonds for the construction of railways, and it declared that the securities specially hypothecated for the due payment of the principal and interest on the bonds were, first, "the national credit of the Republic solemnly pledged by the Government of Peru in the name of the Republic, with the general hypothecation of all its real property and revenues;" secondly, the customs dues of the Republic, amounting annually to £800,000; thirdly, certain railways to be constructed and already completed, which latter had cost £2,400,000; fourthly, the surplus proceeds of guano to be imported into the United Kingdom, her colonies, the continent of Europe, and the United States, after providing for certain prior charges. The plaintiff purchased several of these bonds, and paid for them the

sum of £3,265. 12s. 6d., and on each of these bonds was printed a statement (amongst others) that, as a guarantee for the fulfilment of the obligations contracted in the bond, the Government of Peru, under the national faith, pledged the general revenue of the Republic, and especially the proceeds of the guano in Europe and America, after the engagements which it contracted on them were covered, and bound itself, in all the contracts which it might enter into for the sale of guano, to direct the setting aside out of the proceeds of each half year a sum sufficient for the service of that half year, and, after such service was secured, to dispose freely of the surplus. The statement of claim then alleged that interest was paid by the Republic on the bonds up to July, 1875, since which time no interest or principal had been paid; that the Republic had from time to time forwarded to the defendants large quantities of the guano which formed the security of the bondholders for the purpose of paying thereout, or out of the proceeds of the sale thereof, the unpaid interest on and the amortization of the bonds; that the defendants had sold parts of the guano, but refused to apply the sale moneys or the unsold guano in their possession towards payment of the unpaid interest on the bonds, and that they claimed to have some charge on these properties. The plaintiff then offered to make the Republic a defendant to the action if the Republic should so desire, but stated that notice of the action had been given to the Republic, and that it made no claim to the guano or sale moneys in question, or to any interest therein.

The defendants, Messrs. Dreyfus Brothers and Messrs. J. Henry Schröder and Co., demurred to this statement of claim on the ground that the matters in question were none of them within the jurisdiction of the court, and that the plaintiff and those on whose behalf he sued had no such charge upon the guano and sale moneys referred to (if any such there were) as could be enforced by this court—at all events in the absence of the Republic of Peru, which was a necessary party to the action, and a sovereign power over which the court had no jurisdiction.

In the court below,

Davey, Q.C., and *Ingle Joyce*, argued the demurrer on behalf of the defendants, and cited *Smith v. Weguelin*, 20 L. T. Rep. N. S. 524; L. Rep. 8 Eq. 198; *Crouch v. The Credit Foncier of England*, 29 L. T. Rep. N. S. 259; L. Rep. 8 Q. B. 374; *Larivière v. Morgan*, 26 L. T. Rep. N. S. 359; L. Rep. 7 Ch. App. 550; L. Rep. E. & I. App. 423; *Gladstone v. Musurus Bey*, 1 Hem. & M. 495.

Hastings, Q.C., and *Romer*, for the plaintiff, in support of the statement of claim, contended that it was not a case in which a party was seeking actively to enforce against a foreign government a contract entered into with the government, but one in which a plaintiff sought to establish his charge upon a specific property mortgaged by a foreign government, and so delivered by that

government to its agent for the specific purpose of providing for the mortgage, so as to constitute the agent a trustee of the property for the mortgagee, while the mortgagor, who, it was said, should be a party, disclaimed all interest in it.

Without calling for a reply,

The VICE-CHANCELLOR said: It appears to me that I must allow this demurrer. The case has been ably argued in support of the statement of claim. Mr. Graham Hastings passed rather rapidly down to the 9th paragraph, but it is impossible to deal with one isolated paragraph of this statement of claim; it must be taken as a whole. It states a case on behalf of Mr. Twycross himself, and all other the holders of the bonds of the Republic forming a portion of the loan of 1870. The defendants are Dreyfus Brothers & Co., and Messrs. Schröder & Co., and the Peruvian Guano Co. (Limited). The exact position of each of those defendants is not very clearly defined upon the statement of claim; but I think I must take it that the position of each of those parties is that of an agent, or at all events as regards Dreyfus Brothers & Co., and Schröder & Co., that they are the agents of the Peruvian Government. That, I think, is the proper conclusion. Now, the position of the plaintiff and those whom he seeks to represent is that of creditors of a foreign government. They begin with that. They have subscribed to a loan raised by a foreign government in this country, or partially raised in this country. That is contribution on the part of those persons to the loan. Passing by for a moment any specific claim which is made upon the guano, for that specific claim is one which apparently might not be or would not be properly subject to an action at all, in the case of *Crouch v. The Credit Foncier of England*, Mr. Justice Blackburn, in reference to such contributors to a foreign loan, makes the following observations:—"Foreign and colonial governments frequently create a public debt, the title to portions of which is by them made to depend on the possession of bonds expressed to be transferable to the bearer or holder. There can hardly properly be said to be any right of action on such instruments at all, though the holder has a claim on a foreign government." I need not say that in this case upon the bond as against the Republic of Peru an action for recovering from the Republic the money upon the bond is entirely out of the question. No such action as that could be maintained. Then, considering that, which is the original position of each of the plaintiffs, what is there beyond which it is important to consider as to their position? There is a prospectus sent out, upon the faith of which the plaintiff says he subscribed. But the actual instrument (if it be an instrument and one that can be described properly as amounting in any way to a contract) is what is called "the statement," which accompanies each of these bonds. That is set out in the seventh paragraph of the statement of claim, and the position of the bondholders is there defined. There are certain

special provisions in reference to the amortization fund by which the bonds were to be paid in certain orders, and it is a matter of difficulty to know exactly how that could be dealt with under any application to this court. But passing to the 6th clause of that statement, what is the foundation of the present claim? It is this: The clause says, that "as a guarantee for the fulfilment of the obligations contracted in this bond, the Government of Peru, under the national faith, pledges the general revenue of the Republic." It then gives details of certain particulars of revenue, amongst which we find the free proceeds of certain guano in Europe and America, after the engagements which it has contracted upon them are covered. Then there are certain railways and the free revenue of the working thereof and the receipts of the custom-houses of the nation. That is to say, it is a general engagement that the whole revenue of the Republic is pledged for this loan, and especially the free proceeds of the guano after the engagements which it has contracted upon them are covered, and the likes as to the free revenue of the working thereof. Then it is provided by the 8th clause, "In all the contracts which the government may enter into for the sale of guano, or under whatever form this sale may have, it binds itself to direct that there be set aside out of the proceeds of each half year a sum sufficient for the service of that same half year, and after such service being secured, to dispose freely of the surplus." I understand that to mean this, that the government contract or engage to direct that a sum shall be set apart for the service of the year, and that they will dispose freely of the surplus. That is to say it is to be an act of appropriation and application of the fund by the government itself. The bondholder, the person who has the benefit of this engagement, is to go to the government and say, "You have engaged after certain payments which have been made, to dispose of what may be in your hands applicable for the purpose." There is nothing beyond that which I think is material upon that statement. By the 9th clause the government binds itself not to dispose of the said proceeds save to apply them at the fitting opportunities to the objects specified. That is to say again, it is to be an application of the proceeds by the government itself, and in the latter part of the clause they engage, "That the proceeds of the guano expressly hypothecated, the value of the railways, the product thereof, as also the imposts of the customs, shall be applied in their order to the payment of the capital and interest of the said loan to the end that these be always paid." What exactly is meant by that I do not know. There is an ambiguity about their being applied in their order, because there is no order before described as to the application. Whether it means the order in which they are mentioned, I do not know. Then the statement of claim alleges, by paragraph 9, that, "Since the issue of the said bonds up to the present time the said Republic has from time to time forwarded to

each of the defendants, and the said defendants have respectively received, large quantities of guano for the purpose of thereby or thereout, or out of the proceeds of sale thereof, paying the unpaid interest on and the amortization of the said bonds." As I read that clause, it is that there have been forwarded to each of the defendants by the Republic guano for the purpose of sale, and for the purpose of thereby or thereout paying. It is not that the persons to whom the guano is sent are appointed agents for the purpose of doing that at all. There is no doubt the Government might give directions to these agents to do it. But what is supposed is this—and it is in harmony with the 6th and 8th clauses of the statement which accompanies the bond—that they sent to certain persons in England guano to be sold. They sent it in order that the Government may, when it has been sold, apply the proceeds in a particular way; but it is to be applied by the Government, and not to be applied by the agents. Then the same paragraph states that "this guano was part of the guano mentioned in the said prospectus and bonds as forming part of the security of the said bondholders for the payment of the principal and interest due to them on their said bonds, and this guano, or the proceeds of the sale thereof in the hands of the said defendants respectively, became applicable and ought to have been applied by the said defendants respectively, in the first place in or towards payment of the unpaid interest due on the said bonds." In my reading of that, I do not find anything to show that it did become applicable, and ought to be applied by the defendants. They may have had a separate agency and instructions for the purpose of doing that, but that would be something separate and distinct from anything which is alleged in this paragraph. Then, independently of that, I take it that the guano was sent to them clearly upon this statement, as agents of the Republic. Everything that they were to do was to be done by them, I conceive, as agents. It is not sent to them as a fund to be treated and set apart and dealt with as a fund in their hands so as to create any relation whatever between them and the bondholders. There is no trust impressed upon it; no equitable assignment created by the transaction which is there represented, taking it to be truly represented. Therefore, there is neither trust nor equitable assignment in the case. That being so, it does not even approach the case of *Gladstone v. Musurus Bey*, where there was a sum actually deposited by actual contract for a special and particular purpose between the parties, and that sum the court thought it could deal with. The observations of the Lord Chancellor in *Larivière v. Morgan*, with reference to that and other cases, would seem to show that he considered that under such circumstances as those in *Gladstone v. Musurus Bey*, there might be something amounting to a trust. I cannot find any statement whatever in this statement of claim which amounts to an assignment or trust, or anything which changed the property in any way in the

guano or in the proceeds of sale, because there was no interest in reality in the guano as such, in the bondholder; his only interest under this statement was in the proceeds of sale of the guano, and not in the guano itself. That being so, and there being no trust or equitable assignment, it would seem that the case of *Larivière v. Morgan*, as decided by the House of Lords, is a very formidable difficulty in the way of the plaintiff in this case, because the Lord Chancellor there and the other judges seemed to consider that it was essential for the purpose of giving the plaintiff any interest in the fund itself that there should be a trust or an equitable assignment; and, subject to that, it remained under the dominion of the owner. But it seems to me that the contract from its nature, or its terms and conditions, treating it in all respects as a contract between two individuals, which is perhaps putting the case too high for the plaintiff, seeing that this declaration is manifestly a declaration by a foreign government as to what it means to do with certain portions of the revenue—the substance of it was that the party was only to get payment through the means of the application made by the foreign government of the proceeds of the sale of the guano. That was his only remedy, and not to impound or attach the guano itself or the proceeds happening to be, by mere accident, in the hands of an agent of a foreign government. That appears to me to go to the substance of the plaintiff's case. Then it was said that by the 14th paragraph of the statement of claim the matter is reduced to this, that there is certain guano sent to this country by a foreign government, and it is sent to persons whom I must consider—and I do consider—as being their agents for that purpose; and it is said that foreign government does not make any claim to it at all but leaves the disputes as to interest and so on to be considered and determined and fought out as between the rival claimants, the plaintiff and the defendants, who, it was asserted, must be taken to claim an interest in it themselves—to have a charge or lien in preference to the plaintiff. It seems to me to be clear that in this state of things the persons to whom this guano was assigned are not in the position of principals. The government are the principals, notwithstanding this statement which is put in here, that they do not claim an interest in the guano, moneys, funds, securities, or any part thereof or any interest therein. But, though they may not claim it, I cannot, because it is in the hands of an agent, treat the agent's property and interest in it as being any other than that of the government itself. Therefore I must say that I do not think the plaintiff is entitled to put his case in any other way than this, as if he were ready to say, "the government have got a certain fund at their bankers; they consider the fund property forming part of their exchequer to pay these sums out of it; they do not make any claim to it; we will, therefore, have an action in order to claim it, and we will ascertain, in the absence of the principal debtor, how much is due to us and how much is due to others."

I hold that that cannot be done. I hold that it is essential in a case of this kind that the principal debtor should be before the court, even though he may have said, "I do not make any claim to or claim any interest in this fund." I say that because, looking at the nature of the contract and engagement to pay, I do not think there is that which amounts to an equitable assignment or trust, or anything, notwithstanding what has been done, to divest the property out of the Republic of Peru. It seems to me, upon these grounds, this demurrer is one which goes to the root of the plaintiff's case, and must be allowed, with the usual consequences.

The plaintiff appealed.

Counsel for the appellant submitted that, although the plaintiff could not enforce his claim against the Peruvian Government in the courts of this country, yet he could do so against their agents, who, according to the statement of claim, had funds in their possession applicable to the payment of the bonds, to which funds the government made no claim. According to the allegations of the statement of claim, which, for the purpose of the demurrer, must be taken to be true, the funds were not the property of the government; and the defendants, too, were bound by the representations contained in the prospectus, and could not after that set up against the plaintiff a charge of their own on the funds. The contract of a foreign government must be construed like any other contract. It could not be enforced against the government in the courts of this country, but it might be enforced indirectly against third persons. If a foreign government mortgaged a fund to A., and afterwards gave a second charge on the same fund to B., who had notice of the first charge; then, if B. had the fund in his hands, and the government made no claim to it, A. could enforce his charge in the courts of this country as against B. Was justice to fail because they could not make the principal come here? [JESSEL, M.R.—You are only entitled to municipal justice, and there is no such thing against a foreign government not subject to the jurisdiction. When you have got an international tribunal that can administer such justice it may be another thing. We are not to endeavour, by subtle distinctions having no foundation in reason, to assume jurisdiction which does not belong to us over a foreign government.]

Counsel, on the same side, submitted that the bonds amounted in this case to what would be a mortgage in the case of an individual, and that the court could enforce a contract here equitably as against all persons, except the government itself. It was not sought to enforce any claim against the government of Peru, because that government had made no claim to the securities or to any interest therein.

Davey, Q.C., and *Ingle Joyce*, for the defendants, were not called on.

The MASTER OF THE ROLLS said: The first and most important point

we are called upon to decide is, what is the meaning of a bond given by a foreign government to secure the payment of a loan? As I understand the law, the municipal law of this country does not enable our tribunals to exercise any jurisdiction over foreign governments as such. Nor, so far as I am aware, is there any international tribunal which exercises any such jurisdiction. The result, therefore, is, that these so-called bonds amount to nothing more than an engagement of honour, binding so far as engagements of honour can bind, the government which issues them, but are not contracts enforceable before the ordinary tribunal of any foreign country, or even by the ordinary tribunals of the country which issued them, without the consent of the government of that country. That being so, it appears to me that the bond in question confers no right of action on the plaintiffs, and on that ground it follows that the demurrer ought to be allowed. But I wish to say a word or two also as to the special circumstances of the case. First of all, a prospectus is set out which contains certain statements of what is about to be hypothecated; but it states also that bonds will be issued. Bonds were issued and accepted by the subscribers to the prospectus, and those bonds stated in a definite way, under seal of the financial agent of the Republic of Peru, the terms on which the loan was issued. It appears to me that after that there was an end of the prospectus. *A fortiori*, that observation applies with respect to all bonds purchased in the market by persons who had nothing whatever to do with the prospectus. I think they are both in the same position as to that. Now what does the bond offer to them? In my opinion the bond, rightly construed, and having reference to the nature of the government which issued it, did not amount to what, as regards a private individual, would be treated as a mortgage. It was "as a guarantee for the fulfilment of the obligations contracted in this bond, the government of Peru under the national faith"—that means the national honour, the national faith in the sense of good faith—"pledges the general revenue of the Republic, and especially the free proceeds of the guano in Europe and America, after the engagements which it has contracted on them are covered." It also pledged the property of certain railroads, the free revenue of the working thereof, and the receipts of the Custom-house of the nation. Now, what is the meaning of the word "engagements?" Everybody knows that the first engagement a government contracts to pay out of its own revenues is the engagement necessary to continue its own existence as a government, namely, to pay for its military and civil service to any extent the government thinks necessary. How can any rational person call that a mortgage or pledge which is preceded by the right of the pledger to appropriate so much of the property as he pleases to any purpose he thinks desirable for his own use? It is impossible to look upon that seriously as a pledge. It is so much as the government chooses to leave after satisfying the ordinary engagements and

wants of the government. Then there is another stipulation, that "In all the contracts which the government may enter into for the sale of guano, or under whatever form this sale may have, it binds itself to direct that there be set aside out of the proceeds of each half year, a sum sufficient for the service of that same half year, and after such service being secured, to dispose freely of the surplus." That is, the government binds itself to direct it. If it does not direct it, you have nothing but the national faith to look to or to appeal to. The case beyond that is simply this: It is said that the Government of Peru has sent guano to some agents in Europe who are made defendants; that these defendants have sold the guano; that they have notice of the bonds; that they claim some charge or lien on the guano—it is not said what it is, because the plaintiffs do not know, and cannot ascertain—and that the republic make no claim. All that is perfectly consistent with this, which for aught I know may be the case, that the Peruvian Government has borrowed money to more than the extent of the proceeds of the guano from these agents, and that the agents are entitled to retain the proceeds in repayment of that loan; and that loan may be a loan contracted for the purpose of satisfying its most pressing wants and needs as a government—wants which must be satisfied in order to secure the existence of the government as such. All that is perfectly reconcilable with these statements. But even if it were otherwise, I think the same result would follow. You cannot sue the agent in the absence of the principal. The principal is the Peruvian Government. You cannot sue the Peruvian Government at all, and therefore you cannot sue its agents. There is no question of trusteeship, it is simply a case of agency. I am of opinion that the decision of the Vice-Chancellor was correct, and that it must be affirmed.

LORD JUSTICE JAMES: I am of the same opinion. It appears to me clear that the defendants are nothing but agents of the Peruvian Government, and that they fill no other character whatever. On the balance of account between them and the government they may have the proceeds of the guano or other moneys available for the payment of the bonds, but this is a matter between them and the Peruvian Government. You cannot sue the Peruvian Government, and in my opinion it would be a monstrous usurpation of jurisdiction to endeavour to sue a foreign government indirectly by making its agents in this country defendants, and then saying, "You have got money of the government, and you ought to apply that." It really would be indirectly endeavouring to make the foreign government responsible to the jurisdiction of this court.

FOWLER v. KNOOP AND THE LONDON BANKING ASSOCIATION.

In an action by the plaintiff (Fowler) a shipowner against the consignee of goods under a bill of lading to recover damages for delay in unloading, the defendant obtained an order under Order XVI. rules 17, 18 of the rules of the Supreme Court of Judicature, to bring in a third party, viz., the London Banking Association, who had bought the cargo afloat. The court gave leave to the Banking Association to give notice to and bring in a fourth party to whom they had resold the cargo afloat. The facts are as follows :—

The plaintiff was a shipowner, and the defendant Knoop was the consignee of goods, under a bill of lading, and the action was brought to recover damages for delay in unloading. The London Banking Association had bought the cargo afloat, and Knoop served a notice upon them under Order XVI., rule 18, and an order was subsequently made that they should be at liberty to defend the action conjointly with Knoop. The London Banking Association then took out a summons before Field, J., at chambers, for leave to give notice to and bring in a fourth party to whom they had resold the cargo afloat; but he refused to make an order.

Counsel for the London Banking Association moved on appeal from that decision, for leave to give notice to and bring in the fourth party. He relied on sub-sect. 3 of sect. 24, and on rules 17, 18 of Order XVI.

The Court granted the order, and Mr. Justice Field said: Had my attention been called to the last clause of sub-sect. 3 of sect. 24, I should not have refused to make the order.

AGREEMENT BETWEEN INDORSER AND HOLDER OF NEGOTIABLE INSTRUMENT.

In the case of *Davis, Receiver, v. Brown*, just decided by the Supreme Court of the United States, it is held that an indorser of a promissory note is a competent witness to prove an agreement in writing made with its holder at the time of his indorsement, that he shall not be held liable thereon, where the paper has not afterward been put into circulation, but is held by the party to whom the indorsement was made. The case of the *Bank of United States v. Dunn*, 6 Peters, is explained and qualified. In speaking of the opinion in this case, the Court says the opinion which announces the decision proceeds upon two grounds: (1) That the evidence would contradict the terms of the instrument or change their legal import; and (2) that it would be against public policy, as tending to destroy the credit of commercial paper, to allow one who had given it the sanction of his name, and thus added value and currency to the instrument, to testify that it was executed or indorsed by him under such circumstances as to impair his obligation upon it.

This last position was supported by reference to the celebrated case of *Walton v. Shelley*, 1 Term Rep. 296, decided in 1786, where the indorser of a promissory note was held by the King's Bench to be inadmissible as

a witness, on grounds of public policy, to prove the note void for usury in its inception; Lord Mansfield observing that it was "of consequence to mankind that no person should hang out false colours to deceive them, by first affixing his signature to a paper, and then afterwards giving testimony to invalidate it." Aside from the assumed estoppel of the parties from their position on the paper, the maxim of the Roman law, that one alleging his own turpitude shall be heard (*nemo allegans suam turpitudinem est audiendus*), was cited to justify the decision. That maxim was plainly misapplied here by the great chief justice, for it is not a rule of evidence, but a rule applicable to parties seeking to enforce rights founded upon illegal or criminal considerations. The meaning of the maxim is, that no one shall be heard in a court of justice to allege his own turpitude as a foundation of a claim or right; it does not import that a man shall not be heard who testifies to his own turpitude or criminality, however much his testimony may be discredited by his character.

The doctrine of *Walton v. Shelley* maintained its position in the courts of England only for a few years. In 1798 it was by the same court overruled in the case of *Jordaine v. Lashbrooke*, 7 Term Rep. 801, Lord Kenyon having succeeded Mansfield as chief justice. Since then the rule has prevailed in the courts of that country, that a party to any instrument, whether negotiable or not, if otherwise qualified, is competent to prove any fact affecting its validity; the objection to the witness from his connection with the making or circulation of the instrument only going to his credibility and not to his competency. In this country there has been much diversity of opinion upon the point, some of the State courts following the rule of *Walton v. Shelley*, while others have adopted the later English rule. The general tendency of decisions here is to disregard all objections to the competency of witnesses, and to allow their position and character to affect only their credibility. This diversity of opinion could not have existed unless there were grave reasons for doubting the soundness of the original decision. Be that as it may, it has led those courts which, on consideration of commercial policy, adopted the rule of *Walton v. Shelley*, to qualify the rule, so as to limit its application strictly to cases arising on negotiable bills and notes, and to cases where the transaction affecting the validity of the paper was not between the parties in suit. The holders of commercial paper, who enter into agreements or transactions with the makers or indorsers, affecting its validity or negotiability, cannot invoke protection against the infirmity which they have aided to create. There are no considerations of commercial policy which can exclude the parties in such cases from testifying to the facts. Thus, in *Fox v. Whitney*, 16 Mass. 118, the Supreme Court of Massachusetts, which had previously recognised the rule in *Walton v. Shelley*, held that the rule only applied to a case where a man, by putting his name to a negotiable security, had given currency and credit to it, and did not apply to a case between original parties, where the paper had not been put into circulation, and each of the parties was cognizant of all the facts. This decision meets our concurrence, and if it qualifies the decision in the case of *Bank v. Dunn*, we think the qualification a just and proper one. The court concludes that an agreement like the one mentioned above, and the indorsement, taken together, are equivalent, so far as the holder of the note is concerned, to an indorsement without recourse to the indorser. It further says that the omission of indorsers on a series of notes, transferred to the holder in settlement of their own note held by him, upon an agreement in writing that they should not be held liable on their indorsement, to set up the agreement as a defence to an action against them, brought

by the holder on two of the notes, does not preclude them from setting up the agreement in a second action by the holder on others of the same series of notes. The judgment in the original action does not operate as an estoppel against showing the existence and validity of the agreement in the second action. When a judgment in one action is offered in evidence in a subsequent action between the same parties upon a different demand, it operates as an estoppel only upon the matter actually at issue and determined in the original action; and such matter, when not disclosed by the pleadings, must be shown by extrinsic evidence.—*United States "Albany Law Journal."*

CROSSED CHEQUES.

Mr. B. T. BOSANQUET, of Lombard Street, has addressed the following letter to the editor of the *Standard* :—

"It may, perhaps, seem rather late in the day to discuss a question which has already been brought forward and decided upon in the House of Commons during the present session. There are, however, two points, relating to that question to which I would especially call the attention of all who are in the habit of giving or receiving cheques. In the first place, it appears to me, from all that has been said and written on the subject, that the prevailing notion as to what constitutes the negotiability of a cheque is confused and incorrect. Secondly, I maintain that under the present Act a crossed cheque, unless the crossing be coupled with the words 'not negotiable,' is to all intents and purposes an uncrossed cheque. I shall also have occasion to allude to Mr. Hubbard's proposed omission of the latter part of clause 12 in the present Act, that being the only point on which I differ from his proposed amendments.

"In my opinion the negotiability of a cheque is in direct ratio to the extent to which each successive receiver of that cheque feels that he can trust the previous holder. Any person who has given value to another for a cheque may, in the event of his being unable to obtain payment thereof, whether through defect in the title or through the cheque being dishonoured on presentation, recover the amount from the person from whom he took it. If he knows that the person from whom he takes it is responsible for the amount, he runs no risk in taking it; but if he believes the reverse to be the case he cannot safely give value for the cheque without having first satisfied himself as to the title of the holder, and the responsibility of the drawer. In the above case I am supposing the receiver of a crossed cheque not to have a better title thereto than the person from whom he took it had. It would be by no means an absolute safeguard for the receiver of a cheque to satisfy himself as to the title of the holder, supposing him to know nothing about the drawer. The safety, therefore, of the receiver of a cheque depends more on the responsibility of the holder than on the validity of his title; and, similarly, the negotiability of a cheque depends on the same conditions. I differ entirely from the view taken in the *Economist* of June 16th, namely, that (supposing Mr. Hubbard's bill to be law) 'no person could be safe in taking a crossed cheque unless he knew its history from the time it was drawn until it came into his own hands.' It is true that a difficulty might arise if the holder of a cheque were not known to any person in the place where he happened to be; but that would be a very exceptional case; and I think that any person who changes a crossed cheque for an entire stranger, without having

taken some pains to satisfy himself as to his title, should do so at his own risk.

"I think, also, that there should be some limit to the negotiability of crossed cheques. The only limit to the negotiability of an uncrossed cheque is the question of the drawer's responsibility for the amount of it. Supposing his responsibility to be undoubted, the cheque would pass from hand to hand like a bank-note. In the case of a crossed cheque it is seldom necessary, or desirable, that it should pass through more than three hands, namely, those of the drawer, the first holder, and the person who changes it for the latter, supposing him to have no banker. If the drawer inserts in the body of the cheque the name of the first holder, the cheque bears on its face a sufficient proof of that holder's title, and he ought to have no difficulty in getting it changed by any person to whom he is known and who believes the cheque to be a good one. If the receiver takes it solely on the ground of his confidence in the holder, the holder's title, as I have already shown, is perfectly immaterial. Some drawers prefer that their cheques should be presented for payment as soon as possible after they are drawn, so that the balance at their banker's may represent, as nearly as possible, the amount they have in hand; others prefer that they should pass from hand to hand and remain as long as possible in circulation. To the latter it may, no doubt, be very convenient, in ordinary times, that their cheques should so circulate; but it is a convenience which might, at certain times, be attended with serious risk both to themselves and to their bankers. I am of opinion that such a custom is thoroughly unsound in principle. To take an extreme case. Supposing a mercantile man to draw cheques to the amount, on an average, of £1,000 every day; to keep an average balance at his banker's of £5,000 beyond the amount of his outstanding cheques; and his cheques to remain in circulation, on an average, for thirty days. Under these circumstances, his average balance, instead of being £5,000, would be £35,000, because his outstanding cheques would always average about £30,000. Strictly speaking, he ought to keep a sufficient balance at his banker's to meet all his outstanding cheques; but he might well be tempted to use, and feel himself justified in using, a great portion, if not the whole, of his surplus balance of £30,000, taking for granted that his cheques would remain in circulation for the usual period. Or, supposing him to keep a sufficient balance to meet all his cheques, his banker, who could not know the amount of outstanding cheques, observing his average balance to be £35,000, might feel himself safe in employing a large portion of that balance. In ordinary times the banker, in the latter case, would run very little risk; but, supposing him to have many such accounts, and a sudden panic to take place, the cheques, in all probability, instead of remaining in circulation for thirty days, would be presented for payment as speedily as possible, and the banker might find himself placed in a very awkward position. In the former case the drawer would find his balance insufficient to meet his cheques, and might at such a time find it impossible to obtain a loan at any price, however good his credit. Cheques are a very convenient medium for transferring money from debtor to creditor, and it is desirable that the transfer should be attended with as little risk as possible, and that cheques should, at the same time, remain fairly negotiable. Both objects may, I think, be effected by enacting that 'no person can have or convey a better title to a crossed cheque than the person from whom he took it had.' The effect of such an enactment on the negotiability of cheques has been much overrated. It is no easy matter to make a cheque un-negotiable, provided the person who is asked to take it has confidence in the holder, and can

recover the amount from him in the event of the title proving defective, or the cheque being dishonoured; but if anything could render it so, it would be the adoption of so clumsy an expedient as appending the words 'not negotiable' to the crossing. To the uninstructed these words would probably convey a very erroneous idea of their meaning. It may safely be assumed that not one man in a thousand has ever read the Crossed Cheques Bill, and not one in a hundred knows anything about it. To a man who did not understand the law, the words 'not negotiable,' appended to the crossing, might very naturally convey an impression that in changing such a cheque he would be committing an illegal action, that he might refuse to do so for his most intimate friend, although he would trust him for ten times the amount. I maintain that if the law were amended, as proposed by Mr. Hubbard, not only would the drawers and true owners of cheques be protected against fraud, but the cheques would remain quite as negotiable as it is desirable that they should be.

"With regard to the latter part of Clause 12 of the present Act, which Mr. Hubbard proposed to omit, I do not altogether agree with him. That clause enacts that 'a banker who has in good faith and without negligence received payment for a customer of a cheque crossed generally or specially to himself, shall not, in case the title to the cheque proves defective, incur any liability to the true owner of the cheque by reason only of having received such payment.' I think the words 'without negligence' cover, with one exception, any case in which the receiving banker could fairly be held liable. It might be held to be negligence on his part to receive and place the proceeds of a cheque to the credit of a customer if he had reason to suspect that it had been stolen, or if he had reason to doubt the honesty of his customer. In such cases he might fairly be held liable; but, under ordinary circumstances, I do not think he can fairly be made responsible for a defective title on the part of a customer. In the case of an individual, it is comparatively easy to ascertain the validity of the title of the holder from whom he takes a cheque; in the case of a banker it is practically impossible. Moreover, the receiving banker is not the holder of a cheque in the same sense as the person on whose behalf he receives it, he is merely the latter's agent for collection. If he were the holder in the same sense as his customer, he would, upon the cheque being handed to him for collection, become the true owner of that cheque, supposing his customer's title to be valid. But if he were the true owner he might part with that cheque, for value, to any person he chose, and that person would, in turn, become the true owner. It is manifest, however, that such would not be the case, that a banker acting in such a manner would act fraudulently, and that no person would be justified in giving him value for a cheque excepting the banker on whom it was drawn; hence it is manifest that the receiving banker is not the holder of a cheque in the same sense as the customer on whose behalf he receives the amount of that cheque. Where a cheque is paid in to balance a loan or an overdraft the case is different, because the banker may, in such a case, be said to be the actual holder of the cheque, and to present it for payment on his own account. Supposing the title to a cheque, paid in under such circumstances, to prove defective, and the banker, having received payment of the cheque, to be compelled to refund the amount to the true owner, he would not be in a worse position than he was before the cheque was paid in, provided that if the amount of the cheque exceeded that of the loan or overdraft he were not called upon to refund more than the latter amount. To hold a banker liable, under ordinary circumstances, for receiving the amount of a cheque with a defective title

would imply that it is his duty to satisfy himself as to the validity of the holder's title in the case of every cheque which he presents for payment, unless he is satisfied that the holder is responsible for the amount in each case. If bankers were to attempt to perform such a duty, not only would they find it impossible, but the public would find their attempts to perform it highly inconvenient; business, in fact, could not go on as it now does.

"In conclusion, I will endeavour to show that a crossed cheque, as the law now stands, is, to all intents and purposes, an uncrossed cheque, unless the words 'not negotiable' are appended to the crossing. It is enacted, in Clause 10, that a banker paying a crossed cheque contrary to the directions of the crossing renders himself liable to the true owner for any loss he may thereby sustain. Supposing a crossed cheque to have been stolen, it is highly improbable that the actual thief would present it for payment, either in person or through his banker, supposing him to have one. He would more probably contrive to get it changed in the manner least likely to leave any clue by which he could be traced. He would not find much difficulty in doing so, because any one might safely change the cheque for him, supposing it to be a good one; and the person who changed it for him would become the true owner. It may therefore be assumed that the chances of a cheque being presented personally for payment by any other than the true owner are almost *nil*. But if a crossed cheque not bearing the words 'not negotiable' be presented at the counter of a bank by the true owner, the banker on whom it is drawn may safely disregard the crossing whether special or general, because the only liability he could incur would be to the true owner, for any loss he might sustain; and it is evident that the true owner sustains no loss if he gets his money. It being almost a certainty that the person presenting a crossed cheque is the true owner, the banker on whom the cheque is drawn might, in any case likely to arise, disregard the crossing; hence, as I have said above, a crossed cheque, under the present law, is, to all intents and purposes, an uncrossed cheque. This being the case, the simplest plan for those who wish their cheques to be thoroughly negotiable is to leave them uncrossed, and let the law relating to crossed cheques be altered in conformity with Mr. Hubbard's suggestions. In case, however, there should be any persons to whom it would be a satisfaction to be able to cross their cheques without restricting their negotiability, the drawers might be authorised to add to the crossing the word 'unrestricted' or 'negotiable,' followed by their initials, and such cheques be transferable from hand to hand without reference to the title of the previous holder. Although it would do them no good, for they might just as well leave their cheques uncrossed, such an enactment would do nobody any harm. It would, of course, be necessary to give any lawful holder the power of erasing the word 'unrestricted' or 'negotiable,' which would be tantamount to giving the holder of an uncrossed cheque authority to cross it.

"It is no argument in favour of the present Act that there has been no complaint against it, because there has not yet been any opportunity for complaint. Cases like that of *Smith v. Union Bank* are, fortunately, of very rare occurrence; should another such case arise, the law, as it now stands, will be found useless and inoperative."

Mr. J. G. Hubbard has addressed the following letter to the editor of the *Times* :—

"Your instructive article of last week amply supplies whatever justification may have been wanting in the discussion of the previous week for

bringing in the Crossed Cheques on Bankers Bill. The rejection of the Bill on June 13 was only a phase in the struggle which has been carried on for a quarter of a century between commercial progress and legal obstruction. Commerce has required, and by legislation in 1856 and 1858 aimed at, a perfectly secure and economical medium for making a specific payment. Law has insisted, even in the face of legislation, on retaining in cheques, however constructed, the quality of negotiability in the special sense which means 'assignable by delivery' like bank notes, and conveying, if for valid consideration (a colourable qualification easily arranged) a legal title to the receiver of a stolen cheque. You suggest as the solution of the struggle that, if commerce cannot alter the law, it may conform its practice to the law. The Act of last year, however, will not permit us to find protection in its provisions, for, as you truly state, in the 12th clause the second paragraph cancels the security promised in the first. The object of legislation last year was to insure the compliance of bankers with the instructions of the crossing by charging them with a liability (in cases of neglect) to the 'true owner,' and the clause affirming this liability was the same in my Bill and in the Government Bill to which I gave way. There I should have stopped, but the Government insisted on defining the 'true owner' by enacting that 'a person taking a crossed cheque marked "not negotiable" should have no better title to it than he from whom he took it.' By thus limiting the intended protection they excluded from its benefits all other cheques than those to be hereafter designated 'not negotiable'—a designation which appears to be legally objectionable. A 'not negotiable' cheque, as defined by Mr. Douglas Walker, is one, 'payable to a person by name, as to A. B.,' and 'can only be sued on by A. B., or in his name.' But the cheques for which protection is required are cheques payable to order, and if made 'not negotiable' in the strict legal sense they would be unacceptable to their owners, who can only realise by parting with them. The real object of this novel inscription is to indicate that the cheque is 'not for thieves,' and all cheques now payable to order might be stamped 'not negotiable—i.e.—not for thieves,' if thereby security against theft could be obtained. But it would not be obtained. A cheque crossed '—— and Co.,' 'not negotiable,' is handed by a thief, and without a title, to his banker, and the banker, without whose co-operation the theft could not be consummated, is, because a banker, exempt from all liability to the true owner.

"The only event in which a banker can profit by this final provision of the Act of 1876 is when he receives the amount of a cheque for a customer who proves to be a thief and a defaulter. It is only in the event of a cheque being so stolen that the true owner demands redress from the receiver of the money; that receiver must be a banker, and as a banker he pleads in the words of the Act that 'he shall not incur any liability to the true owner.' It appeared to me that it was my duty to call attention to this state of the law at the earliest opportunity. I did so, but the banking interest, under an apprehension of claims arising at any time within the six years fixed by the Statute of Limitations, contrived that the Government 12th clause should include a special indemnity for their own profession.

"So long as the Act of 1876 stands unamended, bankers will enjoy the distinction of being privileged receivers of stolen cheques, and the public will be deprived of the protection they desire."

Reports of Joint Stock Banks.

THE AGRICULTURAL COMPANY OF MAURITIUS, LIMITED.

Report presented to the fourth ordinary general meeting of the shareholders, held at London 14th June, 1877.

In submitting the report and balance sheet for the year ending 31st March, 1877, the directors have to congratulate the shareholders on the satisfactory progress of the company. The net profit of the year amounts to £10,058. 1s. 6d., which, with the addition of the balance of £4,304. 12s. 6d. brought forward from last year's accounts, affords an available surplus of £14,362. 13s. 11d. Out of this sum, an interim dividend of 1s. per share, or at the rate of 10 per cent. per annum, was paid in December; and the directors now recommend a further payment of 2s. per share, making for the year a dividend of 15 per cent. These two payments will absorb £2,979. 10s., and after writing off the balance of preliminary expenses (£1,750), there will remain £9,633. 3s. 11d. to be carried to the credit of the next account. The transactions entered into by the local board for the next season are of a larger amount than for the past year, and the directors consider them to be of an equally satisfactory character. Of the 7,350 shares unallotted of the first issue, which were offered at 5s. premium, 2,350 were applied for, making a total of 20,000 shares. Having completed the issue of 20,000, the directors considered it advisable to defer the further allotment of shares. According to clause 72 of the articles of association, the directors, Dr. Clerihew, Messrs. Cousins and Stanley, and Lieut.-Colonel F. A. V. Thurnburn, retire this year, but, being eligible, offer themselves for re-election. Auditors will have to be appointed for the coming year, and the remuneration of Messrs. Hume Webster & Co. fixed for the last audit. The directors submit their re-election for the decision of the shareholders. The directors cannot conclude their report without drawing the attention of the shareholders to the great care and ability shown by the president and the members of the local board, as well as the manager, in the administration of the company's affairs.

Balance Sheet, 31st March, 1877.

<i>Dr.</i>		CAPITAL AND LIABILITIES.	
Share capital—Amount issued, 20,000 shares of £10 each,			
£200,000; amount called up, 20,000 shares, £1 paid ..		£20,000	0 0
Liabilities—Debenture capital, £18,400; advances on deposit			
of debentures, £45,000; loans in Mauritius, £42,594. 2s. 1d.;			
bills payable, £10,000; sundry creditors: London,			
£482. 16s. 11d.; Mauritius, £580. 11s. 3d.		117,057	9 3
Total capital and liabilities		£137,057	9 3
To profit and loss account		14,362	13 11
		£151,420	3 2
<i>Cr.</i>		ASSETS.	
Investments—Advances on produce, &c., in Mauritius ..		£142,287	10 9
Cash at bankers and in hand—London, £8,215. 0s. 6d.;			
Mauritius, £55. 7s. 7d.		6,270	8 1
Office furniture—London, £41. 1s. 6d.; Mauritius,			
£91. 12s. 10d.		132	14 4
Total assets		£148,690	13 2
Preliminary expenses		1,750	0 0
Interim dividend account		979	10 0
		£151,420	3 2

*Profit and Loss Account. From 1st April to 31st March, 1877.**Dr.*

Expenditure—Current expenses: London, £2,549. 9s. 6d.;	
Mauritius, £2,876. 7s. 3d.	£5,425 16 9
Interest, £3,187. 6s. 10d.; debenture interest, £342. 15s. 1d.;	
debenture charges, £178. 14s. 11d.	3,703 16 10
Income tax	73 18 3
Balance, being net profit	10,058 1 6
	£19,261 13 4

Cr.

Income—Mauritius: Interest, £7,943. 15s. 4d.; Exchange,	
£469. 3s. 11d.; Commission, £10,270. 9s. 1d.	£18,683 8 4
London: Net premium received on shares issued since June,	
1876, £571. 17s. 6d.; transfer fees, £6. 7s. 6d.	578 5 0
	£19,261 13 4

Dr.

Interim dividend of 1s. per share, or 10 per cent. per annum,	
on 19,590 shares paid 15th December, 1876	£979 10 0
Proposed final dividend for the year of 2s. per share on 20,000	
shares, making 15 per cent. for the year	2,000 0 0
Preliminary expenses now written off	1,750 0 0
Balance carried to new account	9,633 3 11
	£14,362 13 11

Cr.

Balance being net profit brought down	£10,058 1 6
Balance carried from last year	4,304 12 5
	£14,362 13 11

THE ALLIANCE BANK, LIMITED.

THIRTEENTH report presented to the shareholders at the ordinary general meeting, held July 19th, 1877.

The directors have to report that the net profits of the bank for the last half-year (after making deductions for interest on current and deposit accounts, current expenses, bad and doubtful debts, and rebate on bills not yet due) amount to £26,360. 7s. 3d., which, added to £8,498. 15s. 11d., the balance brought forward from the previous half-year, makes a total of £34,859. 3s. 2d. now to be disposed of. Out of this sum it is recommended that £24,000 be appropriated to the payment of a dividend at the rate of 6 per cent. per annum, free of income-tax; and on the suggestion of the auditors, the directors have thought it desirable to carry an additional £8,000 to the credit of "contingent fund," to provide against a probable further loss on the realisation of an old debt, the value of which cannot at present be accurately estimated, thus reducing the balance to be carried forward to next half-year's account from £10,859. 3s. 2d. to £2,859. 3s. 2d. The directors who retire by rotation, in accordance with the provisions of the articles of association, are Thos. G. Hill, Esq., Charles John Venables, Esq., William Dunn, Esq., and Hugh Brown Muir, Esq., all of whom being eligible, offer themselves for re-election. The auditors, William Quilter, Esq., and John Young, Esq., also retire at this meeting, and offer themselves for re-election.

Bank of Montreal.

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Balance-sheet, 30th June, 1877.

<i>Dr.</i>		
Capital paid up on 80,000 shares..	£800,000	0 0
Amount due to customers on current and deposit accounts, circular notes, &c., £2,252,042. 2s. 3d.; acceptances, \$821,858. 11s. 2d.	3,073,900	13 5
Reserve fund ..	200,000	0 0
Rebate Account ..	5,709	3 7
Amount brought forward 31st December, 1876, £8,498. 15s. 11d.; balance being net profit for past half-year, £26,360. 7s. 3d.	34,859	3 2
	<u>£4,114,469</u>	<u>0 2</u>

<i>Cy.</i>		
Cash in hand, at Bank of England and at call..	£639,834	14 9
Investments in consols, &c. ..	128,241	16 8
Bills of exchange, loans to customers, &c. ..	3,346,392	8 9
	<u>£4,114,469</u>	<u>0 2</u>

<i>Dr.</i>		<i>Profit and Loss Account.</i>
Current expenses, including rent, taxes, salaries, stationery, law charges, income-tax, directors' remuneration, &c. ..	£15,654	18 9
Rebate on bills discounted, not yet due..	5,709	3 7
Dividend of 6s. per share on 80,000 shares, £24,000; contingent account, £8,000; balance carried to profit and loss new account, £2,859. 3s. 2d. ..	34,859	3 2
	<u>£56,223</u>	<u>5 6</u>

<i>Cy.</i>		
Balance brought forward 31st December, 1876 ..	£8,498	15 11
Gross profits for the past half-year, after payment of interest on current and other accounts, and making provision for bad and doubtful debts..	47,724	9 7
	<u>£56,223</u>	<u>5 6</u>

Balance brought down ..	£2,859	3 2
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<i>Reserve fund.</i>		
Balance 30th June, 1877 ..	£200,000	0 0

BANK OF MONTREAL.

Fifty-eighth Annual General Statement, 30th April, 1877.

<i>Dr.</i>		<i>LIABILITIES.</i>
Capital stock paid up (subscribed £2,465,753. 8s. 6d.) ..	£2,465,404	3 4
Rest, £1,130,136. 19s. 8d.; balance of profits carried forward, £40,907. 2s. 9d.; unclaimed dividends, £3,397. 9s. 1d.; half-yearly dividend, payable June, 1877, £147,857. 15s. 1d.	£1,322,299	6 7
	<u>£3,787,703</u>	<u>9 11</u>
Amount of notes of the bank in circulation, £673,049. 12s. 1d.; deposits not bearing interest, £987,142. 8s. 7d.; deposits bearing interest, £2,304,345. 13s. 9d.; balances due to other banks and institutions, £184,451. 13s. 10d. ..	£4,148,989	8 3
	<u>£7,936,692</u>	<u>18 2</u>

ASSETS.

<i>Cr.</i>	
Gold and silver coin current, £420,981. 3s. 3d.; government demand notes, £338,974. 11s. 1d.; balances due from other banks and institutions, £503,088. 14s. 7d.; notes and cheques of other banks, £193,919. 4s. 9d.	£1,456,963 13 8
Bank premises at Montreal and branches	87,328 16 10
Bills of exchange and discounted notes, £6,324,420. 1s. 1d.; debts secured by mortgages and other securities, £10,757. 6s. 3d.; debts due to the bank, over-due and not paid (estimated loss provided for), £47,223. 0s. 4d... ..	£6,392,400 7 8
	£7,936,692 18 2

Statement of the result of the business of the Bank for the year ended 30th April, 1877.

Balance of profit and loss account, 30th April, 1876.. ..	£116,697 5 9
Profits for the year ended 30th April, 1877, after deducting charges of management and making full provision for all bad and doubtful debts	244,379 5 6
	£361,076 11 3
Dividend 7 per cent., paid December, 1876 .. £172,311 13 5	
Dividend 6 per cent., payable June, 1877 .. 147,857 15 1	
	320,169 8 6
Balance of profit and loss carried forward	£40,907 2 9

THE BANK OF NEW SOUTH WALES.

FIFTY-THIRD report of the directors to the half-yearly general meeting of the proprietors, held at Sydney, 30th April, 1877.

The directors have the pleasure to submit to the proprietors a statement of the assets and liabilities of the bank on the 31st ultimo, with the auditors' report and declaration. The net profits for the half-year, after deducting rebate on current bills, interest on deposits, providing for bad and doubtful debts, and reducing valuation of bank premises, amount to £97,671. 13s. 7d., to which is to be added undivided balance from last half-year, £3,280. 3s. 3d., giving for distribution, £100,951. 16s. 10d., which the directors recommend to be appropriated as follows:—To payment of dividend at the rate of 15 per cent. per annum, £75,000; bonus at the rate of 2½ per cent. per annum, £12,500; augmentation of the reserve fund, £10,000; balance carried to profit and loss new account, £3,451. 16s. 10d.—Total, £100,951. 16s. 10d. With the above appropriation the reserve fund will amount to £430,000. Branches of the bank have been established during the past half-year at Crookwell and Gunnedah, in this colony; at Cairns, Goondiwindi and Thornborough, in Queensland; and at Oamaru, Timaru, and Kumara, in New Zealand. During the same period the branches at Grenfell and Araluen, in this colony, have been withdrawn. It will be the duty of this meeting to elect a director in the room of the Hon. William Richman Piddington, Esq., M.L.A., who has resigned; Mr. Alexander Stuart, M.L.A., is the only candidate, and has given the requisite notice.

Bank of Roumania.

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Aggregate Balance-sheet, March 31st, 1877.

(Including London branch to 31st December, 1876, and New Zealand branches to 5th March, 1877.)

<i>Dr.</i>									
Bank stock	..	..	..	..	..	..	..	£1,000,000	0 0
Reserve fund	..	..	..	..	..	..	..	420,000	0 0
Notes in circulation	..	..	..	..	..	..	..	717,244	0 0
Bills payable	..	..	..	..	..	..	..	2,377,711	1 4
Deposits and other liabilities	..	..	..	..	..	..	..	8,591,690	10 3
Profit and Loss	..	..	..	..	..	..	..	121,462	10 9
									£13,228,108 2 4

<i>Cr.</i>									
Coin and cash balances	..	..	..	..	..	..	..	£3,554,452	12 9
Bullion in hand, and in transit to London	..	..	..	..	..	..	..	197,380	0 4
Government securities	..	..	..	..	..	..	..	500,000	0 0
Notes of other banks	..	..	..	..	..	..	..	16,480	0 0
Bank premises	..	..	..	..	..	..	..	241,748	12 10
Bills receivable, discounted, and other debts due to the bank	..	..	..	..	..	..	..	8,711,328	2 4
Insurance account	..	..	..	..	..	..	..	6,718	14 1
									£13,228,108 2 4

<i>Dr.</i> Profit and Loss, March 31st, 1877.									
March 31st, 1877.—Rebate (at current rates) on bills discounted, not due at this date	..	..	..	..	..	..	..	£20,510	13.11
Dividend at the rate of 15 per cent. per annum	..	..	..	..	..	..	..	75,000	0 0
Bonus at the rate of 2½ per cent. per annum	..	..	..	..	..	..	..	12,500	0 0
Augmentation of the reserve fund	..	..	..	..	..	..	..	10,000	0 0
Balance carried to profit and loss new account	..	..	..	..	..	..	..	3,451	16 10
									£121,462 10 9

<i>Cr.</i>									
September 30th, 1876.—Amount from last account	..	..	..	..	..	..	..	£3,280	3 3
March 31st, 1877.—Balance of half-year's profits after providing for bad and doubtful debts, and including recoveries from debts previously written off as bad	..	..	..	..	..	..	..	118,182	7 6
									£121,462 10 9

RESERVE FUND.

<i>Dr.</i>									
March 31st, 1877.—Balance	..	..	..	..	..	..	..	£430,000	0 0
<i>Cr.</i>									
September 30th, 1876.—Balance	..	..	..	..	..	..	..	£420,000	0 0
March 31st, 1877.—Amount from profit and loss	..	..	..	..	..	..	..	10,000	0 0
									£430,000 0 0

BANK OF ROUMANIA.

Report presented to the seventh general meeting of shareholders held in London, 18th June, 1877.

The committee furnish herewith the accounts made up to the 31st December,

1876. These accounts show a net profit of £20,602, after making provision for all expenses, bad and doubtful debts, &c. The year 1876 was one of great difficulty in Roumania; the depressed condition of trade mentioned in the last report, continued during the year in an increased degree, and great circumspection has been necessary in the conduct of the affairs of the bank. In the presence of such conditions the committee have pleasure in recording their appreciation both of the zeal and prudence of the director-general Mr. Frank. The profits of the year were satisfactory, and the loss arising from its transactions has been very small. The balance of profit shown in the present accounts would have reached a more important amount, but that it has been necessary to write off considerable sums from accounts originating previous to 1876. It was originally the intention of the committee to have proposed a payment of interest on this occasion, but the recent outbreak of war, and the complications arising from it, obviously point to the desirability of provision against contingencies, and, with this view, the committee recommend the shareholders to deal with the profit shown as follows:—To repay to the statutory reserve the amount of £4,096. 2s. 10d. withdrawn from it last year to make up the dividend of 5 per cent.; to add to that fund the sum of £2,000 in respect of the profits of the year 1876; and to set apart a sum of £13,000 as a special reserve, leaving a balance of £1,505. 17s. 2d. to be carried forward to the current year. In accordance with the statutes Mr. Alexander and Sir William Drake are the members of the committee retiring in rotation, and offer themselves for re-election.

Liabilities and Assets, 31st December, 1876.

<i>Dr.</i>	LIABILITIES.		
Capital	£1,000,000	0	0
Bills payable	51,677	4	7
Current accounts—"Creditors"	131,955	1	0
Deposits for fixed terms	9,321	10	7
Reserve fund	16,868	2	2
Profit and loss	20,602	0	0
	<u>£1,229,923</u>	<u>18</u>	<u>4</u>

<i>Cr.</i>	ASSETS.		
Capital not called up	£600,000	0	0
Cash in hand	59,434	12	9
Bills receivable and other securities	376,504	5	6
Current accounts—"Debtors"	188,525	0	1
Bank premises and furniture	6,460	0	0
	<u>£1,229,923</u>	<u>18</u>	<u>4</u>

Profit and Loss Account.

<i>Dr.</i>	
Current expenses for the year ending 31st December, 1876. including rent, salaries, directors' remuneration, &c.	£20,428 19 7
Balance net profit carried forward.	20,602 0 0
	<u>£41,030 19 7</u>
Return to reserve fund amount taken last year	£4,096 2 10
Add to reserve fund	2,000 0 0
Special reserve	13,000 0 0
Balance to carry forward to new account	1,505 17 2
	<u>£20,602 0 0</u>

Cr.

Gross profits for the year ending the 31st December, 1876, after making provision for bad and doubtful debts	£41,080 19 7
Balance being net profit 31st December, 1876	<u>£20,602 0 0</u>

BANK OF SOUTH AUSTRALIA.

THIRTY-SIXTH annual report presented to the shareholders at the annual general meeting held in London, June 26th, 1877.

The court of directors beg to submit the annual accounts, duly audited, and, in reporting a continued increase of business, to state that the affairs of the bank are in a satisfactory condition. The balance of the profit and loss account allows the recommendation of a dividend at the rate of 10 per cent. per annum, payable half-yearly as heretofore. The resolutions passed at the special general meetings of 27th June, and 13th July last, have been referred to the Lords Commissioners of Her Majesty's Treasury. Those resolutions authorized the application for a new supplementary charter; but their lordships have intimated that "they are not able to entertain the application, because they have laid down a rule not to advise Her Majesty to grant, by royal charter, new privileges or rights to banks, and they can allow no exception to their rule." Therefore the resolutions Nos. 1 to 6 will be brought into effect when the necessary warrant shall have been obtained; but the resolutions Nos. 7 to 10 have become inoperative. In order to adjust the bank's proceedings to the modified position thus indicated, the court of directors propose that this shall be the last annual general meeting. In future, half-yearly meetings will be held to submit reports and accounts, and to declare dividends. Although a *pro forma* meeting will be held in November next, the first of the regular meetings will be held in or about the month of May, 1878. When the accounts for the said meeting are arranged, the opportunity will be availed of for crediting the reserve fund with the £25,000 specially advertised to in the last annual report, raising that fund to £150,000 accordingly. Whilst obtaining the assent by warrant of the Lords Commissioners of Her Majesty's Treasury to these changes in the constitution, their concurrence has also been sought, so far as is necessary, to the proposal for raising the capital from £500,000 to £625,000; and the resolutions, to be submitted for that purpose, are arranged with the view of giving strength to the bank's operations through a colonial constituency, so long recognised to be essentially conducive to the permanent success of the institution. The method of raising the new capital embraces the further augmentation of the reserve fund to two hundred thousand pounds (£200,000), an amount which will be no more than commensurate with the bank's present business and its prospective operations.

Balance-sheet and General Statement of Affairs to 31st December, 1876.

LIABILITIES.

Dr.

Promissory notes in circulation not bearing interest	£105,262 0 0
Bills of exchange in circulation not bearing interest	208,161 9 11
Balances due to other banks	16,168 4 8
Cash deposited not bearing interest	322,169 4 10
Cash deposited bearing interest	1,191,451 4 11
Total due to the public	1,843,212 4 4
Due to shareholders: capital paid-up, £500,000; reserve fund, £125,000; profit and loss, £52,317. 14s. 6d. ..	677,317 14 6
	<u>£2,520,529 18 10</u>

ASSETS.

Cr.

Coin and bullion, £185,667. 4s. 11d.; balances due from other banks, £96,097. 3s. 8d.	£281,764	8	7
Promissory notes or bills of other banks	1,767	0	0
Government securities	465,250	0	0
Landed or other property of the corporation	61,170	0	0
Notes and bills discounted, or other debts due to the corporation not included under the foregoing heads	1,710,588	10	3
	<u>£2,520,529</u>	<u>18</u>	<u>10</u>

RESERVED FUND.

Dr.

Amount of fund	£125,000	0	0
Cr.			
New 3 per Cent. Annuities	£15,000	0	0
Reduced 3 per Cents.	22,000	0	0
Consolidated 3 per Cents.	10,000	0	0
Australian Government bonds	58,000	0	0
New Zealand Government bonds	20,000	0	0
	<u>£125,000</u>	<u>0</u>	<u>0</u>

Profit and Loss Account for the half-year from 30th June to 31st December, 1876.

Dr.

Dividend paid 15th January, 1877	£25,000	0	0
Expenses of the establishment, including directors' and auditors' remuneration, officers' salaries, maintenance of buildings, rent, taxes, stationery, income tax on net profits, &c.	17,529	16	8
Balance carried forward	52,317	14	6
	<u>£94,847</u>	<u>11</u>	<u>2</u>
Cr.			
Balance brought forward	48,091	8	9
Interest on reserved fund	3,059	1	3
Profits from all offices	43,697	1	2
	<u>£94,847</u>	<u>11</u>	<u>2</u>

At the special general meeting which was held immediately after the annual meeting, the following resolutions were submitted to the proprietors.

INCREASE OF CAPITAL.

1. That the capital of the bank, now consisting of £500,000, in shares of £25 fully paid up, be increased to £625,000 by the creation and issue of 5,000 shares of £25 each. 2. The said 5,000 shares so to be issued shall be placed upon the colonial share register of the company, and shall be transferable in South Australia and not elsewhere, and the placing of such shares upon the colonial share register of the company shall not affect the power to transfer to such register one fourth of the shares representing for the time being the subscribed capital of the company, irrespective of such 5,000 shares. 3. Such shares shall be proportionately offered at a premium of £10 per share to the proprietors of the company, duly registered on the 1st day of July, 1877, and shares not accepted within such period, and in such manner as shall be appointed

by the court of directors, shall be sold as provided by the deed of settlement in relation to forfeited shares; but subject to all such discretionary powers as are by the said deed or otherwise conferred upon the court of directors. 4. No proprietor shall vote in respect to the share or shares issued until the same be fully paid up; but, subject to payment in full, the holders of the said shares to be on a footing of equality in all respects as to voting, dividends and otherwise, with the other shareholders of the bank. 5. Except and so far as hereinbefore otherwise expressed, or shall be requisite to give full effect to the aforesaid regulations, all the provisions and regulations applicable to the existing shares of the bank and the existing shareholders of the bank, shall extend, and be applicable, to the new issue of shares and the holders of such shares. 6. The total amount received by the company in respect of premium upon the said 5,000 shares, shall be carried to the credit of the reserve fund, and shall be applied in augmentation of that fund accordingly.

The meeting was adjourned to the 30th June, when the directors issued the following further report for the proprietors.

The court of directors have to communicate the result of the voting on the resolutions for increasing the capital of the bank from £500,000 to £825,000. At the adjourned meeting on 30th June, Mr. Maurice Powell stated it was not conducive to the bank's interest that internal dissensions should exist, and, so far as he could consistently comply with the strong desire to terminate the contest, he withdrew altogether from the poll he had demanded. The chairman heartily acknowledged the manner in which Mr. Powell had thus acted, and stated that, in the remarks he had thought it necessary to make on the circular, and in refutation of several assertions, he had no intention to impute to Mr. Powell wilful misrepresentations. The votes recorded in favour of the resolutions were—for, 667; against, 69. The chairman declared the said resolutions carried. The par value of the total stock represented on the occasion was—for the directors, £342,770; against, £33,750. Immediately after the resolutions are confirmed, the letters of allotment will be sent to individual shareholders in the proportion of one new to four old shares.

At the adjourned meeting on the 19th July, the above resolutions were unanimously confirmed.

In publishing this report it is desirable to add that while the proposition to render the new shares of the bank transferable only in South Australia is a point on which those only who are concerned with the working of the business can express any opinion, there can be no doubt that the proposed increase of the Reserve of the bank will supply it with a very valuable addition to its available resources. The addition to the Reserve will no doubt also have a great influence on the value of its shares. It is of the greatest importance that the paid Capital and Reserve of a bank should bear a high proportion to its liabilities generally.

THE BRITISH LINEN COMPANY BANK.

REPORT to the court of proprietors at the annual general meeting held at Edinburgh, John Crabbie, Esq., of Duncow, in the chair.

The directors have much satisfaction in presenting to the proprietors the annexed statement, showing the results of the business of the bank for the past financial year.

The surplus funds of the bank, as shown in the report of the 19th June, 1876, were £510,592. 7s. 1d.; of which there has been applied in payment of dividend at June and December last, £130,000; and the balance remaining is £380,592. 7s. 1d.; to add thereto there is now the balance at the credit of profit and loss account for the year ending 14th April, 1877, after providing for bad and doubtful debts, rebate on bills current, and interest due to customers, £168,148. 10s. 3d.; together with sum previously set aside but not required, and other special profits, £18,000; thus making the surplus profits of the bank at 14th April last,

£556,740. 17s. 4d. The directors recommend that this sum be now allocated as follows:—1. To dividend account, £140,000; 2. In reduction of cost of bank offices, £5,000; 3. To rest account, £411,740. 17s. 4d.; total, £556,740. 17s. 4d. And the directors further recommend that of the sum of £140,000 now placed to the credit of dividend account, £70,000 be applied in payment on 25th June current, of a half-year's dividend at the rate of 14 per cent. per annum, free of income-tax. The rest of the bank is thus raised to £411,740. 17s. 4d., besides provision having been made for the dividend payable in December next, as well as that now declared.

Abstract General Balance-sheet, 14th April, 1877.

Dr.

LIABILITIES.

Deposits, £7,641,751. 7s.; acceptances by the bank and their London correspondents, £222,281. 11s.; drafts outstanding on demand, or not exceeding eleven days' date, £243,312. 18s. 6d.; notes in circulation, £510,639; total liabilities to the public	£8,617,984 16 6
Capital, £1,000,000; reserve fund or rest, £350,000; balance brought forward from last year, £30,592. 7s. 1d.; net profits of the year, after providing for rebate of discount on bills current, bad and doubtful debts, &c., £158,148. 10s. 3d.; sum previously set aside but not required, and other special profits, £18,000; total liabilities to the proprietors	1,556,740 17 4
Total liabilities to the public and the proprietors ..	£10,174,725 13 10

ASSETS.

Bills under discount, advances on cash and credit accounts, and securities held against acceptances, £7,547,741. 11s. 5d.; bank premises at head office and branches, £136,726; together	£7,684,467 11 5
Government and Bank of England stocks, short loans in London, and cash balances with London correspondents, £1,813,971. 6s. 10d.; other stocks, bonds, and securities, £392,330. 18s. 2d.; gold and silver coin, and notes of other banks, £283,955. 17s. 5d.; together	2,490,258 2 5
Total assets of the bank	£10,174,725 13 10

THE CENTRAL BANK OF LONDON, LIMITED.

THE twenty-seventh report of the directors presented to the shareholders at the ordinary general meeting, held 19th July, 1877.

The directors submit the result of the operations of the bank for the half-year ended 30th June, 1877. The annexed profit and loss account shows a gross profit, including the sum brought forward from the previous half-year, of £22,483. 14s. 5d., and deducting therefrom the charges at head office and branches, directors' remuneration, and interest to customers, and writing off an adequate sum from the amount expended on bank premises, there remains a balance of £9,826. 0s. 7d. The directors, therefore, recommend that a dividend be paid at the rate of 8 per cent. per annum, free of income-tax, that £1,500 be added to the reserve fund, which will thereby be raised to £18,000, and that the surplus, amounting to £4,326. 0s. 7d. (including rebate) be carried forward to profit and loss new account.

City Bank, London.

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General Balance-sheet, 30th June, 1877.

CAPITAL AND LIABILITIES.

Dr.

Capital—Authorised, £1,000,000; issued in 20,000 shares of £10 each, £200,000; amount paid up, viz., £5 per share on 20,000 shares	£100,000	0	0
Amount due on current and deposit accounts	1,029,102	9	5
Acceptances	588	1	1
Reserve fund	11,500	0	0
Rebate of interest on current bills, £2,114. 3s. 9d.; profit and loss account—net profit as per statement, £7,711. 16s. 10d.	9,826	0	7
	<u>£1,151,016</u>	<u>11</u>	<u>1</u>

ASSETS.

Cr.

Cash at Bank of England, in hand and at call	£349,460	18	3
Bills discounted, loans, &c.	659,118	18	1
Bank premises, fittings, and furniture	36,761	19	10
Investments at cost	105,674	19	11
Viz.:—£64,590. 9s. 9d. Consols, £5,354. 15s. New 3 per Cent., £41,489. 17s. 8d. Reduced 3 per Cent.—total £111,435. 2s. 6d.			
	<u>£1,151,016</u>	<u>11</u>	<u>1</u>

Profit and Loss Account for the Half-year ended 30th June, 1877.

Dr.

General charges at head office and branches, including directors' fees, £8,856. 10s. 8d.; amount written off bank premises account for depreciation of leasehold premises, furniture, &c., £1,009. 3s. 8d.	£9,865	14	4
Interest paid and due on current and deposit accounts	2,791	19	6
Rebate of interest on current bills, £2,114. 3s. 9d.; balance, being net profit to 30th June, 1877, £7,711. 16s. 10d.	9,826	0	7
	<u>£22,483</u>	<u>14</u>	<u>5</u>

Cr.

Balance at 31st December, 1876	£7,707	11	7
Deduct—Amount of 26th dividend paid at the rate of 8 per cent. per annum, £4,000; amount carried to the reserve fund, £1,500	5,500	0	0
	2,207	11	7
Balance of profit for the half-year ended 30th June, 1877, after providing for estimated loss by bad and doubtful debts	20,276	2	10
	<u>£22,483</u>	<u>14</u>	<u>5</u>

THE CITY BANK, LONDON.

Forty-third report presented at the ordinary general meeting of the shareholders, held 17th July, 1877.

The directors present to the shareholders the annexed accounts of Liabilities and assets and profit and loss, for the half-year ending 30th June, 1877, showing that after providing for interest on deposit accounts and for bad and doubtful debts the gross profits, including £1,923. 17s. 7d. brought forward from the preceding six months, amount to £74,663. 14s. 11d. Provision being made

therefrom for current expenses and rebate on bills discounted not due, the directors declare a dividend at the rate of 10 per cent. per annum, free of income-tax, payable on and after the 18th instant, add £10,000 to the reserved fund, thereby increasing it to £180,000, and carry forward to the next account, £3,316. 8s. 4d. The directors retiring by rotation on this occasion are:—Mr. Henry J. Atkinson, Mr. Robert Lloyd, Mr. Aldn. Wm. McArthur, M.P., and, being eligible, they offer themselves for re-election. The auditors, Mr. Owen Lewis and Mr. John Curry, also again tender their services for the ensuing year. The dividend was then declared, for the half-year ending the 30th June last, at and after the rate of £10 per cent. per annum on the paid-up capital, free of income-tax, payable on and after the 18th instant. It was resolved unanimously—That the report now read be received and adopted. The directors who retired by rotation, were unanimously re-elected. The auditors of the bank were re-elected, with the usual remuneration. It was resolved unanimously—That the best thanks of the proprietors be given to the chairman and directors for their able and efficient services during the past half-year. That the thanks of the shareholders be given to Mr. Kennedy, the manager, Mr. Worth, the secretary, and the other officers of the bank, for the very zealous way in which they have supported the board in working the bank. That the thanks of the meeting be given to the auditors, Mr. Lewis and Mr. Curry, for their services during the half-year.

Dr. Liabilities and Assets on 30th June, 1877.

Capital paid-up, viz., £10 per share on 60,000 shares	£600,000	0	0
Amount of reserved fund	170,000	0	0
Amount due by the bank on current and deposit accounts, letters of credit, &c., £3,842,467. 2s. 5d.; acceptances against cash in hand, bankers' bills, approved securities, &c., £3,265,382. 14s. 9d.	7,107,849	17	2
Profit and loss, for the balance of that account, after providing for bad and doubtful debts, viz.:—surplus profit brought forward from last half-year, £1,923. 17s. 7d.; since added, £72,739. 17s. 4d.	74,663	14	11
	<u>£7,952,513</u>	<u>12</u>	<u>1</u>

Cr.

Exchequer bills, East India debentures, and government securities	£323,138	3	7
Cash in hand, at Bank of England, and at call	861,463	5	6
Other securities, including bills discounted and loans ..	6,710,969	14	1
Bank premises in Threadneedle Street, Old Bond Street, Tottenham Court Road, Ludgate Hill, Paddington, Knightsbridge and Aldgate; furniture, fixtures, &c. ..	56,942	8	11
	<u>£7,952,513</u>	<u>12</u>	<u>1</u>

Dr. Profit and Loss Account for the half-year ending 30th June, 1877.

Current expenses, including salaries, rent, stationery, directors' remuneration, proportion of building expenses, income-tax, &c.	£25,544	15	11
Amount carried to profit and loss new account, being rebate on bills discounted not yet due	5,803	10	8
Amount transferred to reserved fund in addition to £170,000 already at the credit of that account	10,000	0	0
Dividend account for the payment of a dividend at the rate of 10 per cent. per annum upon £600,000, amount of paid-up capital upon 60,000 shares	30,000	0	0
Undivided profit transferred to profit and loss new account	3,316	8	4
	<u>£74,663</u>	<u>14</u>	<u>11</u>

Cr.

Balance brought down, after providing for bad and doubtful debts, viz. :—surplus profit brought forward from last half-year, £1,923. 17s. 7d.; since added, £72,739. 17s. 4d. ..						£74,663 14 11
Reserved fund, December 31, 1876	..	..	..	..	..	£170,000
Now added	..	..	..	..	..	10,000
						<u>£180,000</u>

CITY OF GLASGOW BANK.

THIRTY-EIGHTH annual report by the directors to the shareholders, read at the annual meeting, 4th July, 1877.

The directors submit for the approval of the shareholders the thirty-eighth annual report, made up to 6th June last.

The result of last year's business is as follows, viz. :—The balance brought forward at the credit of profit and loss account from the previous year, amounted to £21,365. 10s. 3d., from which falls to be deducted income-tax on dividend paid to shareholders, in accordance with the resolution of last annual meeting, £1,375, leaving the sum brought forward						£19,990 10 3
The balance at the credit of profit and loss account, for the year ending 6th June last, amounts to						128,511 2 3

Making a total of						£148,501 12 6
From which the directors recommend—1st, that a dividend at the rate of 12 per cent. per annum, free of income-tax, be declared, payable 2nd August and 5th February next, amounting to £120,000; 2nd, that property account be further credited with the sum of £10,000; 3rd, that the balance be carried forward to the credit of profit and loss account for next year, £18,501. 12s. 6d.						£148,501 12 6

Leaving the reserve fund, as at present, £450,000. The directors have obtained and approved of elevation plans for the extension of the head office premises to Glassford Street, and the buildings are in the course of being proceeded with. Mr. Henry Inglis retires at this time by rotation as an ordinary director, but is eligible for re-election, which the directors respectfully recommend.

COLONIAL BANK.

REPORT of the directors to the proprietors assembled at the seventy-ninth half-yearly general meeting, the 5th day of July, 1877, Mr. Thomas D. Hill, in the chair.

The directors now submit to the proprietors the usual statement of the debts and assets of the corporation, on the 31st December last, including the net profit for the half-year then ending, viz. :—

<i>Dr.</i>	DEBTS.					
Circulation	..	..	..	..	..	£402,366 15 10
Deposits, bills payable, and other liabilities	..	..	..	..	..	2,748,342 7 8
Paid-up capital	..	..	..	..	..	600,000 0 0
Reserved fund	..	..	..	..	..	84,000 0 0
Balance of profit from last half-year	..	..	..	..	..	1,675 6 7
Net profit for the half-year	..	..	..	..	..	42,903 10 7
						<u>£3,879,288 0 8</u>

ASSETS.

Or.									
Specie	...	..	..	..	..	..	..	..	£343,498 14 10
Due to the bank in the colonies, on bills discounted and purchased (including those past due), &c.	..	..	..	..	..	..	..	..	1,809,841 5 6
Due to the bank in the colonies, on current accounts ..	..	..	..	..	..	..	..	..	26,573 17 3
Due to the bank in London, on bills remitted, cash at bankers, &c. ..	..	..	..	..	..	..	..	..	1,690,962 13 2
Bank premises and furniture, in London and in the colonies	..	..	..	..	..	..	..	..	8,411 9 11
									£3,879,288 0 8

The directors are happy to state that our produce markets during the past half-year have continued favourable, and although the net profit now declared for the half-year ending the 31st December last is not so large as it has been on some former occasions it will be gratifying to the proprietors to learn that the position of the bank is generally satisfactory. The directors have now the pleasure to propose, that out of the net profit, amounting, after providing for bad and doubtful debts and income-tax, to £42,903. 10s. 7d., added to the amount brought forward, £1,675. 6s. 7d., together, £44,578. 17s. 2d., an ordinary dividend of six per cent. and an extraordinary dividend of one per cent. be made upon the paid-up capital of the corporation for the half-year ending 31st December last, which will require £42,000, leaving £2,578. 17s. 2d., of which the directors propose to carry £2,000 to the reserve fund, increasing it to £86,000, and the balance of £578. 17s. 2d. forward to next half-year.

The following resolutions were put from the chair, and carried:—Resolved, that the report of the directors, which has been read to the meeting, be received, printed, and distributed amongst the proprietors. Resolved, that an ordinary dividend of six pounds per cent. and an extraordinary dividend of one pound per cent. be made for the half-year ending 31st December, 1876, on the paid-up capital of the corporation, and that the same be payable on and after the 11th instant, free of income-tax. It was then proposed by Joseph Bravo, Esq., seconded by Hiam Barrow, Esq., and resolved unanimously, that the thanks of the meeting be given to the chairman and directors for their management of and attention to the affairs of the bank.

THE IMPERIAL BANK, LIMITED.

THEIR report presented to the shareholders at an ordinary general meeting, held 17th July, 1877.

The directors beg to submit to the shareholders a statement of the accounts of the bank for the half-year ending 30th June last. Upon reference to the annexed balance-sheet it will be seen that after payment of interest on the deposit and current accounts, and providing for bad and doubtful debts, the balance of profit amounts to £42,625. 2s. 6d.; deducting from this amount the current expenses and rebate of interest on bills discounted not yet due, there remains for appropriation £26,122. 17s. 4d., which it is proposed to apply in the following manner, viz.:—£20,250 to the payment of a dividend at the rate of 6 per cent. per annum, free of income-tax, and the balance of £5,872. 17s. 4d. to be carried to the credit of profit and loss new account. The directors have the pleasure to announce that Herman Stern, Esq., and James Stern, Esq., of the firm of Messrs. Stern Brothers, have accepted seats at the board, subject to the confirmation of the shareholders.

Imperial Ottoman Bank.

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Balance-sheet, 30th June, 1877.

Dr.

LIABILITIES.

Capital issued, viz., 45,000 shares, £15 paid	£675,000	0	0
Amount due by the bank on current, deposit, and interest accounts, £2,499,206. 17s. 11d.; acceptances, £284,026. 13s. 11d.	2,783,232	11	10
Reserve fund	90,000	0	0
Redemption of premises fund	2,685	0	0
Balance from 30th December, 1876, £5,386. 18s. 7d.; balance of profit for half-year after providing for bad and doubtful debts, £44,602. 9s. 3d.; less interest paid on current and deposit accounts, £7,264. 5s. 4d.	42,625	2	6
	£3,593,542	14	4

Cr.

ASSETS.

Consols, India and Canada bonds, City bonds, and Metropolitan Board of Works stock	£111,738	0	0
Bills discounted, loans to customers, &c.	2,088,967	0	10
Acceptances as per contra	284,026	13	11
Bank premises, furniture, and fixtures	23,680	4	8
Cash in hand at Bank of England and at call	1,085,130	14	11
	£3,593,542	14	4

Dr.

Profit and Loss Account.

Current expenses	£12,955	11	5
Payment of dividend, at the rate of 6 per cent. per annum, for the half-year ending 30th June, 1877	20,250	0	0
Rebate on bills not due	3,546	13	9
Amount carried to profit and loss new account.. .. .	5,872	17	4
	£42,625	2	6

Cr.

Amount brought down	£42,625	2	6
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THE IMPERIAL OTTOMAN BANK.

Report presented to the fourteenth annual general meeting of shareholders, held in London, the 27th June, 1877.

The general committee have the honour to lay before the shareholders their fourteenth annual report. The accounts, made up to the 31st December, 1876, show a gross profit of £468,549. 0s. 8d. After deducting all expenses and making provision for bad and doubtful debts, a balance remains of £264,548. 0s. 5d. which, added to the £371,088. 7s. 2d. brought forward from the previous year, shows a sum of £635,936. 7s. 7d. to the credit of profit and loss. The embarrassments of the Ottoman Empire which were stated to exist at the period of the last general meeting have, it is obvious, not diminished, but increased. The necessities of war have left the government little opportunity of regulating its financial engagements. The bank has restricted its business to the smallest compass, and having practically discharged its liabilities has mainly confined itself to the realisation, so far as advisable, of its resources, in view of an increased activity when the present unhappy state of affairs shall have been brought to a conclusion. The committee have to deplore the loss, by death, during the year 1876, of one of their French colleagues, Monsieur Casimir Salvador, whose energy and capacity, coupled with a constant devotion to the interests of the bank, rendered him one of the most valuable members of the committee. As

usual, one-fifth of the members of the general committee have to retire at this meeting. The gentlemen so retiring on this occasion are Messrs. The Hon. Thomas C. Bruce, M.P., Le Comte Pillet-Will, Pascoe Du Pre Grenfell, and Denion Du Pin, who, being eligible, offer themselves for re-election.

Liabilities and Assets at 31st December, 1876.

LIABILITIES.			
<i>Dr.</i>			
Capital	£10,000,000	0	0
Bank notes in circulation	22,319	1	9
Bills payable	134,193	13	10
Current accounts of sundries	1,176,698	3	2
" " of the Government	117,392	19	6
Deposits for fixed terms	107,519	8	10
Profit and loss (including £371,008. 7s. 2d. brought from last account)	635,936	7	7
	<u>£12,194,059</u>	<u>14</u>	<u>8</u>
ASSETS.			
<i>Cr.</i>			
Capital not called up	£5,000,000	0	0
Cash in hand at Constantinople and branches	260,721	5	6
Consols and money at call	209,728	16	8
Bills receivable	607,413	9	11
Investments	260,029	1	9
Participations in advances to the government	542,341	16	11
Current accounts of sundries	604,885	4	0
" " of the government	4,596,724	17	11
Advances on merchandise and other securities	39,422	6	6
Bank premises and furniture	73,792	16	8
	<u>£12,194,059</u>	<u>14</u>	<u>8</u>

Profit and Loss Account, from 1st January to 31st December, 1876.

Balance from last account	£371,088	7	2
Profits for the year ending 31st December, 1876	264,848	0	6
	<u>£635,936</u>	<u>7</u>	<u>7</u>

LEEDS AND COUNTY BANK, LIMITED.

THE twenty-ninth half-yearly report of the directors to the general meeting of shareholders, held at Leeds, 25th July, 1877.

The directors, in submitting to the shareholders the balance-sheet for the past half-year, have to report that—The profits for the half-year, ending 30th June, 1877, are £18,603. 9s. 11d.; out of which the directors propose to declare a dividend of £1. 5s. per share (free of income-tax), being at the rate of 10 per cent. per annum on the shares issued, numbered 1 to 9,200 inclusive, which will absorb £11,500; rebate of interest on bills not due, £1,200; together £12,700. Leaving a balance of £5,903. 9s. 11d., which the directors propose to carry to the contingent fund. The dividend to be payable on the 1st August next. The auditor's statement of assets and liabilities will be laid before the meeting. The directors consider the result of the past half-year satisfactory, the general depression of trade and the continued low rate of money necessarily affecting banking profits.

LIABILITIES.

Dr.

Shareholders for paid-up capital on 9,200 shares of £25 per share	£230,000	0	0
Reserve fund	65,000	0	0
Contingent fund	1,484	8	8
Depositors on receipts and credit accounts	1,077,709	12	4
Interest due on deposits	6,031	18	5
Unpaid dividends	162	10	0
Profit and loss account	18,603	9	11
	<u>£1,398,991</u>	<u>14</u>	<u>4</u>

ASSETS.

Cr.

Bills of exchange and cash on hand	£454,589	5	11
Loans and current balances	913,599	14	8
Freehold and leasehold bank premises, and furniture at head office and branches	30,388	1	2
Stamps on hand	414	12	7
	<u>£1,398,991</u>	<u>14</u>	<u>4</u>

LONDON AND WESTMINSTER BANK.

THE half-yearly meeting of the shareholders in the London and Westminster Bank was held 18th July, for the purpose of receiving a report and statement of accounts for the half-year and declaring a dividend. Mr. Augustus W. Gadesden occupied the chair.

Mr. Tressilian P. Shipp, the secretary, read the report and balance-sheet for the past six months as follows:—

The directors report that, after providing for all bad and doubtful debts, paying the income-tax, setting apart £2,000 towards the buildings of the bank, and making the necessary provision towards the pension fund and life insurance, the net profits for the last half-year amount to £177,605. 15s. 8d. The rest or surplus fund (with this sum added) will then amount to £948,071. 12s. 1d. The directors out of this fund now declare a dividend to the shareholders of 7 per cent. for the half-year upon the paid-up capital of £2,000,000. After this payment is made the rest or surplus fund will be £808,071. 12s. 1d. The vacancy in the direction, caused by the resignation of Mr. David Plenderleath Sellar, has been filled by the nomination of Mr. John Nutt Bullen, subject to confirmation at the annual meeting in January next.

London and Westminster Bank, June 30th, 1877.

Dr.

Proprietors for paid-up capital	£2,000,000	0	0
Amount due by the bank on deposits, circular notes, loans on stock, and other moneys, including rebate on bills discounted not yet due	*25,796,597	17	5
Rest or surplus fund, December 31, 1876, £770,465. 18s. 5d.; net profits of the past half-year, £177,605. 15s. 8d. ..	948,071	12	1
	<u>£28,744,669</u>	<u>9</u>	<u>6</u>

* This amount does not include acceptances, £1,118,476. 3s. 5d.

Cr.

Government stock and exchequer bills	£3,298,851	11	7
Securities guaranteed by the government of India	700,000	0	0
Bills discounted, loans, and other securities	21,168,786	4	5
Cash in hand and at Bank of England	3,577,081	13	6
	<u>£28,744,669</u>	<u>9</u>	<u>6</u>

*Dr.**Profit and Loss.*

Total expenditure of the eight establishments, including rent, taxes, salaries, pension fund, life insurance, stationery, &c.	£77,185	0	0
Amount set apart towards the buildings of the bank	2,000	0	0
Payment of the dividend now declared, at the rate of 7 per cent. for the last half-year, on the paid-up capital of £2,000,000	140,000	0	0
Rest or surplus fund	808,071	12	1
	<u>£1,027,256</u>	<u>12</u>	<u>1</u>

Cr.

Rest or surplus fund, December 31, 1876	£770,465	16	5
Gross profits of the last half-year, after paying the income-tax, and making provision for all bad and doubtful debts..	256,790	15	8
	<u>£1,027,256</u>	<u>12</u>	<u>1</u>

Rest or surplus fund	£808,071	12	1
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The Chairman said he could fairly congratulate the shareholders upon the very satisfactory statement which the board were enabled to lay before the meeting that day. The report dealt with the past six months, which had been part of a period of long commercial depression, which had affected all branches of commercial industry. The average rate of interest ruling during the six months had been only $2\frac{1}{2}$ per cent., and therefore under such circumstances it was the more creditable to the management to be able to show such a good balance as £177,680 at the credit of profit and loss. But it was the more satisfactory because, as one of the directors, he knew that large profits had been derived from pure and legitimate banking operations only. He had previously said that the average rate ruling for interest-bearing money during the six months had been $2\frac{1}{2}$ per cent., but when he told the shareholders that bills had been discounted at as low a rate as $\frac{3}{4}$ per cent., they would at once appreciate the difficulty which the executive had to contend with in making large banking profits. He was glad to be able to say that the current accounts increased at a satisfactory ratio, thereby showing the confidence of the public, and that the volume of business generally was great, and there never was a time when the bank was in a more sound and prosperous condition than at present. As to the prospects of the current half-year, he believed there was a fair prospect. There had been a long continuance of very low rates, but that could not always rule, for a change must come, and when the happy time came when fair rates were to be got for money, the bank would be fully prepared to give a good account of its stewardship. At present money was abundant, and six months' bills were being discounted at $1\frac{1}{2}$ per cent., and those of shorter date were sought after and discounted at a much lower rate. If such a low rate continued the prospects were not bright for bankers, but he had such great confidence in the money-making capabilities of the London and Westminster Bank that he doubted not that the shareholders would receive a satisfactory account at the next meeting. He concluded by moving the adoption of the report and accounts.

Mr. Thomas Chapman briefly seconded the motion, which was agreed to without discussion and the dividend declared.

A vote of thanks was accorded to the directors, which was briefly acknowledged by the chairman.

The Chairman then moved that a vote of thanks be accorded to the managers, secretary, and staff, observing that at no period of the bank's history had it been better served or had a more efficient staff of officers.

The motion was carried by acclamation; and Mr. Weldon having acknowledged the compliment, a unanimous vote of thanks was accorded to the chairman, and the proceedings terminated.

THE LONDON JOINT STOCK BANK.

Eightieth report presented to the shareholders at the half-yearly general meeting, held July 19th, 1877.

The directors beg to present to the shareholders the annexed statement of the liabilities and assets of the bank and of the profit and loss account for the half-year ended on the 30th ultimo, by which will be seen that after providing for rebate of interest on bills discounted not yet due, and crediting the guarantee fund with £8,246. 10s. for six months' interest, a net profit has been realised of £83,086. 4s. 6d. The directors have appropriated this amount, together with £6,913. 15s. 6d. taken from the guarantee fund, to the payment of a dividend at the rate of 15 per centum per annum on £1,200,000, the present paid-up capital of the bank. The guarantee fund account now stands at £551,099. 6s. 6d. The directors have to announce with deep regret the death of their esteemed friend and colleague, George Thomas Brooking, Esq., by which the bank has lost the services of an able and energetic administrator.

Liabilities and Assets, Saturday, 30th June, 1877.

Dr.

Capital paid-up, viz., 80,000 shares at £15 per share ..	£1,200,000	0	0
Amount of the guarantee fund, 31st December, 1876, £549,766. 12s.; six months' interest on ditto, at 3 per cent. per annum, £8,246. 10s.; less amount transferred to profit and loss account, £6,913. 15s. 6d.	551,099	6	6
Amount due by the bank on current accounts, deposit receipts, circular notes, and acceptances	16,269,069	2	8
Rebate of interest on bills discounted, not yet due, carried to new account	11,382	19	1
Amount of net profit for the half-year ended 30th June, including the sum of £6,913. 15s. 6d. transferred from guarantee fund account	90,000	0	0
	<u>£18,121,551</u>	<u>8</u>	<u>3</u>

Or.

Government stock, valued in accordance with the resolution passed by the general meeting of shareholders on the 19th of January, 1865, viz.:—£1,200,000 Consols, New 3 per Cents., and Reduced at 90	£1,080,000	0	0
Cash in hand and at the Bank of England	1,864,472	13	3
Bills discounted, loans, and other securities	15,066,098	15	0
Freehold premises, buildings, furniture, &c., at head office and branches	130,980	0	0
	<u>£18,121,551</u>	<u>8</u>	<u>3</u>

*Profit and Loss Account for the Half-year ended 30th June, 1877.**Dr.*

Current expenses, proportion of building expenses, directors' remuneration, superannuation allowance fund, income-tax, &c., £48,559. 12s. 1d.; rebate of interest on bills discounted, not yet due, carried to new account, £11,382. 19s. 1d.; six months' interest on the guarantee fund, at 3 per cent. per annum, £8,246. 10s.	£68,189	1	2
Dividend account for the payment of half-a-year's dividend at the rate of 15 per cent. per annum upon £1,200,000, amount of paid-up capital on 80,000 shares	90,000	0	0
	<u>£158,189</u>	<u>1</u>	<u>2</u>

Cr.

Amount of gross profit for the half-year ended 30th June, after making provision for bad and doubtful debts, and including £6,913. 15s. 6d. transferred from guarantee fund account	£158,189	1	2
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*Guarantee Fund Account, 30th June, 1877.**Dr.*

Amount transferred to profit and loss account for equalisation of dividend	£6,913	15	6
Present amount	551,099	6	6
	<u>£558,013</u>	<u>2</u>	<u>0</u>

Cr.

Amount on the 31st December, 1876	£549,766	12	0
Six months' interest on the guarantee fund, at 3 per cent. per annum	8,246	10	0
	<u>£558,013</u>	<u>2</u>	<u>0</u>

THE NATIONAL BANK OF AUSTRALASIA.

THIRTY-SEVENTH report of the directors to the general annual meeting held at Melbourne, 1st May, 1877.

The directors now lay before the shareholders the balance-sheet of the bank on 31st March last, accompanied by the usual statement of accounts, showing the result of the business for the half-year then closed. They are glad to be able to report that the position of the institution continues to be well maintained in each field of its operations. The net profits for the half-year, after deducting expenses of management, and making the other reductions enumerated in the profit and loss account, amount to £58,698. 8s. 10d. Recoveries were made from debts previously written off as bad, amounting to £875. 4s. 1d.; balance from previous half-year, £7,602. 1s. 1d.; deduct note tax in Victoria, £1,447. 7s. 5d.; leaving available for distribution £65,728. 6s. 7d. This amount the directors propose should be thus appropriated, viz.:—Dividend to shareholders at rate of 12½ per cent. per annum on the paid-up capital of £750,000, £46,875; in reduction of premises account, £10,000; balance to next half-year, £8,853. 6s. 7d.; total, £65,728. 6s. 7d. During the half-year branches have been established at Mintaro and Eudunda in South Australia, and an agency has been opened at Epping in this colony. There will be two vacancies on the board to be filled up, caused by the retirement, in rotation, of Andrew Sutherland, Esq., and the Hon. William Wilson, M.L.C., both of whom are eligible for re-election, and have

offered themselves accordingly. There are no other candidates. The shareholders will also be called upon to appoint two auditors for the current year.

Aggregate Balance-sheet for the half-year ending 31st March, 1877.

(London Branch Accounts being included to 31st December, 1876.)

<i>Dr.</i>							
Capital paid up	£750,000	0	0				
Notes in circulation	338,811	10	0				
Bills in circulation	719,553	0	8				
Deposits	3,293,168	9	5				
Balances due to other banks	32,945	9	3				
Reserve fund	250,000	0	0				
Profit and loss	65,728	6	7				
	<u>£5,450,206</u>	<u>15</u>	<u>11</u>				

<i>Cr.</i>							
Coin, bullion, and cash balances	£569,873	19	7				
Government debentures	150,000	0	0				
Bills remitted and bullion in transitu	1,066,938	7	1				
Balances due by other banks	164,825	19	3				
Notes of other banks	13,811	18	11				
Bills receivable and all other advances	3,377,680	5	5				
Bank premises account	*107,078	5	8				
	<u>£5,450,206</u>	<u>15</u>	<u>11</u>				

PROFIT AND LOSS ACCOUNT.

<i>Dr.</i>							
Expenses at head office and 85 branches and agencies.. .. .	£42,789	2	10				
Bank note tax for quarters ending 31st December and 31st March	1,447	7	5				
Balance	65,728	6	7				
	<u>£109,964</u>	<u>16</u>	<u>10</u>				

<i>Cr.</i>							
Balance brought forward	£7,802	1	1				
Gross profits, after providing for bad and doubtful debts, rebate on bills current, interest paid and accrued on deposits, repairs to premises and rent	101,487	11	8				
Recoveries	875	4	1				
	<u>£109,964</u>	<u>16</u>	<u>10</u>				

RESERVE FUND ACCOUNT.

<i>Dr.</i>							
Balance	£250,000	0	0				
<i>Cr.</i>							
Balance last half-year	£250,000	0	0				

* Balance on 30th September, 1876, £111,837. 11s. 2d.; appropriated then, £10,000; outlay on new premises since, £5,250. 14s. 6d.; amount as above, £107,078. 5s. 8d.

NATIONAL DISCOUNT COMPANY, LIMITED.

Forty-second report submitted to the shareholders at the half-yearly ordinary general meeting, held the 18th July, 1877, Mr. Matthew H. Chaytor in the chair.

The directors have much pleasure in presenting the annexed statement of accounts for the half-year ending 30th June. The gross profits amount to £98,093. 11s. 1d., which, added to the balance of £2,701. 2s. 6d. brought forward from the last account, gives a total of £100,794. 13s. 7d.; and after providing for all charges, including directors' and auditors' remuneration, and reserving £37,138. 19s. 2d. for rebate of interest on bills not due, there remains a net profit of £64,169. 10s. 5d. It is recommended, after carrying the sum of £10,000 to the credit of the reserve fund, to appropriate £41,166. 12s. 6d. to the payment of a dividend at the rate of 10 per cent. per annum, free of income-tax, leaving a balance of £3,002. 17s. 11d. to be carried forward to the next account. In addition to the above £10,000, the reserve fund has been credited with £7,800 received on account of the surplus expected to be realised from the estates of Alex. Collie & Co. and other firms that failed in 1875.

(A)

Balance-sheet, 30th June, 1877.

<i>Dr.</i>				
Capital—viz., 160,000 shares of £25 each, £5 per share paid		£800,000	0	0
New capital—viz., 9,333 shares of £25 each, issued to Messrs.				
Cumliffe and Fowler, credited with £5 per share		46,665	0	0
Reserve fund		445,300	0	0
Liabilities on deposits, loans, &c.		8,987,477	3	8
Premises redemption fund		2,767	2	4
Amount at credit of profit and loss account, as shown on statement B		44,169	10	5
		<u>£10,326,378</u>	<u>16</u>	<u>5</u>
<i>Cr.</i>				
Cash, government and other securities		£725,569	17	4
Loans at call and short date		880,358	7	10
Bills discounted, &c.		8,629,542	8	4
Premises		44,243	2	11
Suspense account, £5 per share on 9,333 shares		46,665	0	0
		<u>£10,326,378</u>	<u>16</u>	<u>5</u>

(B)

Profit and Loss Account for the Half-year ending 30th June, 1877.

<i>Dr.</i>				
Current expenses, including rent, taxes, income-tax, salaries, and all other charges		£6,836	4	0
Directors' and auditors' remuneration		2,650	0	0
Rebate of interest on bills not due carried to new account		37,138	19	2
Amount added to reserve fund		10,000	0	0
Six months' dividend at the rate of 10 per cent. per annum on the paid-up capital of £800,000, £40,000; three months' dividend on the new capital of £46,665, £1,166. 13s. 6d.; Balance carried forward to next account, £3,002. 17s. 11d.		44,169	10	5
		<u>£100,794</u>	<u>13</u>	<u>7</u>

Cr.

Balance brought forward from last account	..	..	..	£2,701	2	6
Gross profits during the half-year	..	..	..	98,093	11	1
				<u>£100,794</u>	<u>13</u>	<u>7</u>

The Chairman said he was pleased to submit the statement of accounts now before the shareholders, showing, as they did, an increase on the previous half-year of the amount of business done. The ebb of business which had been experienced since 1873 was not in any way to be attributed to the diminution in the number of their customers, but to the falling off in the article in which they dealt—mercantile bills of exchange. The interesting statements of the bankers' clearing-house, issued under the authority of Sir John Lubbock, pointed to the same conclusion, for in 1873 they had reached—as their business had—their maximum, and since then they had been gradually falling off. For April, 1873, the returns were £6,008,355,000, and for April this year £4,873,000,000, a deficiency of no less a sum than £1,130,355,000. So that, clearly, if the business of the country diminished to that extent, it was impossible theirs could keep to the same level. The clearing-house returns did not represent all the transactions arising from bills, but it was curious to notice that the ratio of payments on the fourth of each month bore pretty nearly the same ratio to the total amount all through the accounts, it being about 76 per cent. of mercantile bills, or what was taken as mercantile bills, on the amount whatever the total of the clearing might happen to be. The Board of Trade returns appeared to militate against this view, for the revenue arising from customs had not fallen off. To his mind this was to be accounted for by the large sum which had previously been used in speculative and foreign investments having been used to take the place which bills formerly occupied. It was pleasant to be able to say that there had been a considerable increase in the amount of business done. This had occurred entirely in the second half of the half-year, and must be attributed to those gentlemen who had lately joined the board. It was impossible to say what the result of that arrangement would be, but whatever dividend went to those gentlemen, to pay them for their business, had been earned, and more than earned, by the business they had brought, in addition to which the benefit of their constant attention and skill was brought to bear on the affairs of the company. With regard to the future, it was impossible to say what would happen, as the competition for bills might somewhat affect the margins between the rate at which they borrowed and the rate of discount they were able to charge.

UNION BANK OF AUSTRALIA.

The annual meeting of the shareholders was held 9th July, Mr. W. Fanning in the chair.

Mr. Mr. W. R. Mewburn, the manager, read the directors' report and statement of accounts, as follows:—"The statement of accounts which the directors have the pleasure of submitting is of so gratifying a character as to have enabled them, after providing for every bad and doubtful debt, to declare a dividend of 7 per cent. for the half-year, and a bonus of 5s. per share, being together at the rate of 16 per cent. per annum, and to add the sum of £25,000 to the reserve fund. In deciding upon the latter measure the directors have been influenced by the circumstance that since the reserve funds were increased to £400,000 in 1864, the branches and the business of the bank have nearly doubled in number and extent. The directors are therefore of opinion that the period has arrived when it is prudent to strengthen those funds; and, having regard to the magnitude of the bank's present business, they should, in the directors' judgment, be raised as speedily as may be convenient to an amount not less than 50 per cent. of the paid-up capital. In the interests of the bank the directors strongly recommend this policy to the adoption of the proprietors, and they do not doubt that it will receive

their cordial support. The improvement in the price of wool alluded to in the directors' report in January has not been as well maintained as was hoped, but the decline shown at the commencement of the public sales recently terminated was towards the close of those sales entirely recovered. The drought, which was also mentioned in the report in January, proved more protracted and severe than was anticipated, causing heavy losses of stock in important districts of New South Wales, Victoria, and South Australia. Nevertheless, trade on the whole continues sound, the mining and agricultural industries are fairly remunerative, and prospects generally are satisfactory. Mr. Richard James Ashton and Sir Charles Henry Mills, Bart., M.P., are the directors who retire on the present occasion in conformity with the deed of settlement, and now offer themselves for re-election. The great ability and sound judgment shown by the general manager, and the zealous exertions of the principal officers and the staff generally, merit warm commendation alike from the directors and the proprietors. The annexed balance-sheet presents a net amount of profit of £129,367. 12s. 7d., out of which the sum of £25,000 has been transferred to the reserve fund, and the balance, viz., £104,367. 12s. 7d. is available for division. Of this the dividend and bonus will absorb £100,000, leaving £4,367. 12s. 7d. to be carried forward. The dividend warrants will be transmitted by post on the 16th inst., and the dividend and bonus will be payable in the colonies at such time as the general manager shall fix after receipt of telegram.

Statement of Liabilities and Assets at the branches on the 30th December, 1876, and at the London office on the 30th June, 1877.

LIABILITIES.

Dr.

Circulation	£383,951	5	0
Deposits	5,842,415	9	1
Bills payable and other liabilities (including reserves held against doubtful debts)	1,049,878	6	4
Balance of undivided profits	104,367	12	7
Reserve fund as per contra	250,000	0	0
Building and other reserve funds	175,000	0	0
Capital	1,250,000	0	0
	£9,055,612	13	0

ASSETS.

Cr.

Specie on hand and cash balances	£1,072,799	14	9
Bullion on hand and in transitu	185,183	16	5
Bank premises and property	188,143	14	8
Government securities	244,483	19	11
Local bills, bills receivable, and other securities	7,115,001	7	3
Reserve fund, invested as per statement	250,000	0	0
	£9,055,612	13	0

Statement of Profits.

Balance of undivided profits at June 30, 1876	£107,816	17	5
Out of which a dividend and bonus were declared of	100,000	0	0

Leaving a balance of £7,816 17 5

Profits of the past year, after making provision for all bad and doubtful debts, £335,734. 19s. 3d. Less: remuneration to the local directors and salaries and allowances to the colonial staff, £71,844. 15s.; general expenses in the colonies, including rent, taxes, stationery, &c., £23,460. 6s. 4d.; re-

muneration to the board of directors, salaries of London office staff, rent, taxes, stationery, and general expenses, £16,630. 8s. 9d.; income-tax, £2,248. 14s.				221,550	15	2
				£229,367	12	7
Deduct dividend and bonus paid in January				100,000	0	0
				£129,367	12	7
Deduct amount transferred to building and other reserve funds				25,000	0	0
				£104,367	12	7
<i>Reserve Fund.</i>						
New Zealand Imperial 4 per Cent. debentures				£200,000	0	0
Colonial 6 per Cent. debentures				50,000	0	0
				£250,000	0	0
Building and other reserve funds				175,000	0	0
				£425,000	0	0
Total reserve fund				£425,000	0	0

The Chairman said: A dividend and bonus after the rate of 16 per cent. per annum, though no more than what has been previously achieved, speak more loudly than usual for the colonies in which we are engaged, and seem to say that they have not been as yet seriously affected by the long existing commercial depression. The sum which we have declared for division is not all. Over and above it there is a sum of £25,000, which we have decided to add to our reserves, and we urge you most strongly to adopt this decision, not merely as regards the present moment, but to extend the application of the principle contained in it to our dealing with future profits, to be earned in the good years which I doubt not are still in store for us. In the year 1864, when last the question of reserves was brought before you, and when you wisely decided to add to their amount, the number of our branches and agencies was twenty-four, they are now forty-eight; and if you will contrast the statement of the liabilities and assets then submitted with the figures placed before you to-day you will, I think, be impressed, and, I hope, gratified, by the large increase in the bank's business. We are engaged where everything about us is of progress, and there is no possibility of our standing still on the high ground we occupy. We must either swim with the stream or sink below it. In the past eighteen months we have added six branches to our list, and we are still required to increase their number. Our resources are freely required of us, and our competitors, especially those of colonial origin, ever enterprising and ready to extend their field of operations, will, if we give them the chance—which we certainly shall try not to do—either forestall or supplant us. To proceed to other matters, I regret, gentlemen, that I cannot state that the pastoral interests of the colony are in a flourishing condition. For two years one of those protracted periods of drought which are of periodical occurrence have been experienced. They are very productive of loss to the holders of stock, but still, they are such, I think, as the old colonist would in his experience anticipate, and against which he will have provided in preceding years of plenty and of fatness. I am glad to be able to tell you that by the last letters from the colonies we are informed that copious rains had fallen over a large area of the distressed districts, though by recently received telegrams I am prevented from saying that the drought has entirely broken up. The general trade of the colonies is shown to be sound and legitimate, and we have had fewer instances of difficulty to record than is usual; and this, notwithstanding the decline in the price of wool, which began in the general depression of trade, and has been in its later stages aggravated by political distrust and by the war with which we are all at the present moment so much occupied. If, however, we except the decline in the return from gold mining—which was always to be expected, and may at any moment be reversed, but which even now sufficiently recompenses

those who are engaged in it—there is no apparent point of depression which is of more than a temporary character, while the other mining interests, the agricultural, and manufacturing, some in one colony, some in another, are full of progress and vigour. The revenue returns of some of the colonies speak loudly to the general prosperity, while in all we have the fine resources which are contained in the unsold portion of the public domain, and which will, if properly administered, enable the colonies to attain to a growth of prosperity to the full stature of which they have as yet only advanced but a little way. The meeting closed with votes of thanks to the chairman, directors, managers, and staff, both in England and the colonies.

THE UNION BANK OF LONDON.

FIFTY-NINTH report to the annual general meeting of the proprietors, held 11th July, 1877, Robert Colquhoun Fergusson, Esq., governor, in the chair.

The directors have to report that the net profits of the bank for the six months ending 30th June last, after payment of all charges, and making full provision for all bad and doubtful debts are £108,832. 17s., which, with £10,159. 12s. 2d. brought forward from 31st December last, amount to £118,492. 9s. 2d. Out of this amount the directors now declare a dividend for the last six months at the rate of 15 per cent. per annum on the paid-up capital, clear of income-tax, and after payment of such dividend, amounting to £104,625, appropriate £10,000 to the reserved fund, leaving £1,867. 9s. 2d. to be carried forward to profit and loss new account. The directors have to announce with feelings of deep regret, in which they feel assured the proprietors will join, that since the last meeting they have sustained the loss by death of their much esteemed colleague, Peter Northall Laurie, Esq., whose great ability, sound judgment, and able and efficient discharge of the duties of a director from the first establishment of the bank, and of governor until recently, have very materially conduced to the prosperity of the institution. The following directors retire by rotation, under the provisions of the deed of settlement, viz.:—William Pearce, Esq.; Archibald Cockburn, Esq.; Sir Sydney H. Waterlow, Bart., M.P.; who, being eligible, offer themselves for re-election.

General Balance for the half-year ending 30th June, 1877.

LIABILITIES.

Dr.

Capital—£10 per share paid up on 60,000 shares	£600,000;		
£5 per share added out of reserved profits, £300,000; £15 per share paid up on 20,000 shares, 1864, £300,000; £15 per share paid up on 10,000 shares, 1872, £150,000; 10s. per share added out of reserved profits, 1873, £45,000:	..	£1,395,000	0 0
Due by the bank on current accounts and deposit receipts (including interest accrued). £12,936,261. 4s. 10d.; liabilities on acceptances (cover in hand amounting to £6,479,424), £4,449,899. 3s. 1d.	.. .. .	17,886,160	7 11
Reserved fund, invested in Consols, and Reduced, as per contra .. .. .	.. .. .	411,123	9 6
Buildings investment account .. .. .	.. .. .	140,069	0 8
Rebate on bills not due .. .. .	.. .. .	17,794	14 6
Balance at credit of profit and loss .. .. .	.. .. .	116,492	9 2
		<u>£19,466,840</u>	<u>1 9</u>

ASSETS.

Cr.

Cash in the bank, £1,209,988. 8s. 4d.; in Bank of England, £1,594,968. 0s. 10d.; lent at call £2,099,500 ..	£4,904,456	9 2
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Investments in government stock, exchequer bills, debentures, &c.		1,685,750	18	2
£295,720. 12s. 11d. Consols	} Reserved fund	411,123	9	6
£165,289. 5s. 1d. Reduced				
Bank premises, consisting of freehold buildings in Princes Street, Mansion House Street, Argyll Place, Fleet Street, Chancery Lane, Charing Cross, and Holborn Circus	.. .. .	424,561	16	4
Loans, bills discounted, &c.	.. .. .	12,040,747	8	7
		<u>£19,466,840</u>	<u>1</u>	<u>9</u>

Profit and Loss Account.

<i>Dr.</i>				
Dividend at the rate of 15 per cent. per annum	.. ..	£104,625	0	0
Appropriation to reserved fund	.. ..	10,000	0	0
Balance, being undivided profit, carried forward to next half-year	.. .. .	1,867	9	2
		<u>£116,492</u>	<u>9</u>	<u>2</u>
<i>Cr.</i>				
Profit unappropriated on 31st December, 1876	.. ...	£10,159	12	2
Amount of net profit of the half-year ending 30th June, 1877	.. .. .	106,332	17	0
		<u>£116,492</u>	<u>9</u>	<u>2</u>

The Chairman said the board were happy to be able to lay before the proprietors a more favourable statement than at their last meeting; and he had no doubt that they would consider that the board were dealing judiciously with the amount at their disposal on the 30th ult.—namely, in declaring the dividend he had mentioned on £1,395,000, the paid-up capital of the bank, adding £10,000 to the reserve fund, and carrying forward £1,867 to the profit and loss new account. Since their last meeting business had somewhat improved, but they must all regret to observe that the trade of the country on the whole continued depressed. Although that was the case, and although some uncertainty existed as to the future course of events both at home and abroad, he hoped they might soon see a continued, if only a gradual, improvement in general business. After referring with deep regret to the loss which they had all sustained by the death of their old and valued friend and colleague, Mr. Peter Northall Laurie, the Chairman declared a dividend for the past half-year at the rate of 15 per cent. per annum on the paid-up capital clear of income-tax.

It was resolved unanimously—

That the report now read be adopted, printed, and circulated among the proprietors.

That the proprietors of the Union Bank of London desire to record their deep regret at the loss which the bank has sustained by the death of Peter Northall Laurie, Esq., whose great ability, sound judgment, and able and efficient discharge of the duties of a director from the first establishment of the bank, and of governor until recently, have very materially conduced to the prosperity of the institution.

Resolved unanimously—

That William Pearce, Esq., be re-elected a director of the bank.

That Archibald Cockburn, Esq., be re-elected a director of the bank.

That Sir Sydney H. Waterlow, Bart., M.P., be re-elected a director of the bank.

That the best thanks of the meeting be given to the governor, the deputy-governor, and the directors, for their able management of the bank during the past half-year.

That the thanks of the meeting be given to Mr. G. H. Milford, the general manager, Mr. R. Slater, and Mr. G. A. Tucker, the joint managers, the managers of the branch banks, and the secretary, for the zealous discharge of their several duties.

That the thanks of the meeting be given to R. C. Fergusson, Esq., the governor, for his able and courteous conduct in the chair this day.

UNION BANK OF MANCHESTER, LIMITED.

Report of the directors to the shareholders at the forty-first annual general meeting, held the 25th July, 1877.

The directors beg to lay before the proprietors their report for the year ended 30th June, 1877. The profits of the bank for the year, after deducting rebate of bills on hand not due, and making ample allowance for bad and doubtful debts, amount to £88,215. 18s. 11d.; add amount brought forward from last account £11,913. 14s. 3d., together, £100,129. 13s. 2d.; deduct all expenses of head office and twenty-five branches, £27,093. 15s., leaves a nett balance of £73,035. 18s. 2d. A dividend has been paid for the half-year ended 31st December, 1876, at the rate of £12 per cent. per annum, free of income-tax, amounting to £26,400. A similar dividend for the half-year to the 30th June, 1877, will absorb £26,400, leaving £20,235. 18s. 2d. The directors have disposed of this balance by adding to the reserve fund £10,000, which will bring that fund up to £150,000, and by carrying to the next account £10,235. 18s. 2d. The directors retiring by rotation are Mr. Stewart Douglas and Mr. James Dillon, who are eligible, and offer themselves for re-election.

Balance-sheet, 30th June, 1877.

<i>Dr.</i>					
Capital, 40,000 shares, £11 each paid	£440,000	0	0		
Reserve fund	150,000	0	0		
Current and deposit accounts and rebate of bills on hand, £1,587,230. 0s. 10d.; accepted bills, £63,190. 4s. 3d. ...	1,650,420	5	1		
Balance of profit and loss account, 30th June, 1876, £11,913. 14s. 3d.; profit for the year, £88,215. 18s. 11d.; less expenses and appropriations, as below, £63,493. 15s.	36,635	18	2		
	£2,277,056	3	3		
<i>Cr.</i>					
Bills on hand, loans to customers, credits, and other securities, £1,883,368. 5s. 6d.; accepted bills, £63,190. 4s. 3d., £1,946,558 9 9					
Cash on hand and at call	288,325	1	8		
Bank premises	42,172	11	10		
	£2,277,056	3	3		

Profit and Loss Account.

<i>Dr.</i>					
Total expenses of head office and branches, including directors' fees, salaries, rent, taxes, and stationery for the year ..	£27,093	15	0		
Interim dividend paid	26,400	0	0		
Reserve fund.. .. .	10,000	0	0		
	£63,493	15	0		

Balance to be divided, £36,635. 18s. 2d., as follows:—			
Dividend at the rate of £12. per cent. per annum ..	26,400	0	0
Balance forward to next account	10,235	18	2
	<u>£100,129</u>	<u>13</u>	<u>2</u>

Cr.

Balance of profit from last year	£11,913	14	3
Profit for the year, after paying income-tax, and making provision for bad and doubtful debts, £92,794. 4s. 5d.; less rebate of bills on hand, £4,578. 6s. 6d.	88,215	18	11
	<u>£100,129</u>	<u>13</u>	<u>2</u>

THE UNITED DISCOUNT CORPORATION, LIMITED.

REPORT of the directors submitted to the shareholders at the eleventh ordinary general meeting, held 19th July, 1877.

The directors beg to present to the shareholders the following statement of the affairs of the Company for the half-year ending June 30th, 1877. The statement of accounts shows a gross profit, including amount brought forward from last half-year, of £44,319. 11s. 9d., and after allowing for rebate of interest on bills not due, amounting to £10,389. 18s. 9d., and £5,573. 16s. 11d. current expenses, a balance of £28,355. 16s. 1d. remains. Of this balance the directors propose to distribute a dividend of 4s. 10d. per share, amounting to £12,083. 6s. 8d., being at the rate of 8 per cent. per annum, free of income-tax, to add £10,000 to reserve, making that fund £50,000, and carry forward £6,272. 9s. 5d. to new account. James Duke Hill, Esq., and James Lyall, Esq., retire from the board by rotation, and, being eligible, offer themselves for re-election.

Balance-sheet, 30th June, 1877.

Dr.

Capital account—50,000 shares, on which £6 per share have been called up	£300,000	0	0
Loans, deposits, &c.	3,760,369	8	6
Reserve fund	40,000	0	0
Profit and loss account—Amount at credit, as per annexed statement	38,745	14	10
	<u>£4,139,115</u>	<u>3</u>	<u>4</u>

Cr.

Cash at bankers	£49,290	3	4
Bills discounted, government securities, &c.	4,088,550	9	11
Fittings and furniture, 38, Lombard Street	1,274	10	1
	<u>£4,139,115</u>	<u>3</u>	<u>4</u>

Profit and Loss Account for six months ending 30th June, 1877.

Dr.

Current expenses, including salaries, rent, rates and taxes, directors' fees, and all other charges	£5,573	16	11
Rebate of interest on bills discounted not yet due carried forward to new account, £10,389. 18s. 9d.; dividend on 50,000 shares, £12,083. 6s. 8d.; reserve fund, £10,000, balance carried forward to profit and loss new account £6,272. 9s. 5d.	38,745	14	10
	<u>£44,319</u>	<u>11</u>	<u>9</u>

<i>Cr.</i>		
Balance brought forward from 31st December, 1876	.. ..	£8,964 17 10
Gross profits for the half-year, after making allowance for bad and doubtful debts	.. ..	35,354 13 11
		£44,319 11 9

THE STAFFORDSHIRE JOINT-STOCK BANK, LIMITED.

THE directors inform the shareholders that during the past half-year the profits have amounted to £10,399. 9s. 6d., which, with £2,124. 4s. 5d. brought forward from last account, make an available sum of £12,523. 13s. 11d. The directors have declared the usual interim dividend to the 30th June, of 15s. per share, which will absorb £6,562. 10s., leaving £5,961. 3s. 11d. to be carried forward to next half-year's account.

MR. GOSCHEN AND THE BANK ACTS OF 1844-5.

SECOND ARTICLE.

THE evidence taken before the Select Committee on Mr. Goschen's Bill, being (in conformity with the Chancellor of the Exchequer's programme) directed chiefly towards defining the powers and privileges conferred by the Bank Acts of 1844-5 upon banks of issue, affords little information calculated to improve their working. Narrowed in this way, that important part of the question, raised from time to time by our Chambers of Commerce, is left out of sight altogether, viz. : "the cause of the fluctuations in the rate of interest, discount, and monetary panics."

That is the problem, however, that requires to be solved. Evidence in regard to the note issues will never do it. The total of these is of small consequence and amount compared to the deposits which give to bankers so very much the greater power as money lenders, it being as 5 to 1 in 1844, and 13 to 1 in 1875-6. The marvel is, that with all this deposit money, greatly exceeding in amount, no doubt, that of all the other bankers in Europe put together, England has at times, notwithstanding, as much difficulty in keeping the wolf from the door as the very poorest among them.

While it no doubt behoves the State, for its own protection as well as that of others, to see that the notes and other liabilities of bankers to the public are duly supported by adequate gold reserves, it seems to have no more right to appropriate to itself the note circulation, or otherwise to deprive bankers of that time-honoured branch of their business, than it would have to take from the land owner that portion of his property which Mr. John Stuart Mill has described as an "increment" belonging to the State.

Had our present currency laws not deprived all banks to be established after 1844 of this right of issue, there are doubtless many localities in England that would before now have had the advantage of additional local banking. The new banks that have arisen since 1844-5 consequently do not make up for those that have failed, even although the banking business to be transacted has everywhere since then increased so enormously. The result has been therefore to confer upon certain bankers, at the expense of others and the public, a very great monopoly, as indeed the large profits which these old banks realise amply testify. With respect to those

banks that so failed and disappeared during the period in question, it may be added that most of them were influential establishments of long standing and high credit, and that they almost all possessed such an extent of good business (independent of that which caused their downfall) as would in faithful hands have enabled them to be standing now among the very first and most successful institutions of the kind to be found anywhere.

Although enough has probably been said already to show that the English banks of issue, as well as those of Ireland and Scotland, have a good deal to be thankful for, it appears notwithstanding that England is, as regards the note issues, as matters stand, the least favoured nation of the three. Their grievance is that they are not allowed to issue in excess of their limit on *gold*, as the Bank of England and the Scotch and Irish banks are. That this forces them to maintain at all times, at great loss and inconvenience, a considerable margin between their authorised and actual circulation; and they seek, therefore, to be allowed to issue their own notes also against gold or *Bank of England notes*. Although the Bank of England note cannot in this case be regarded as a proper substitute for gold, yet, so long as it is a legal tender in England, the English banks will no doubt claim to be allowed to issue upon both or either, and if that be their right, it only still farther shows that the Bank of England is bound to hold gold reserves for *all*. If English bankers were only allowed to exceed their limit upon *gold*, like the Bank of England and the Scotch and Irish banks, it would be best, however, and certainly most in accordance with the views of Sir Robert Peel, whose evident intention was, and for very good reasons, that, so far as *England* was concerned, there should be no issue of notes beyond the fixed limits, except upon *gold*. He knew that the Bank of England note was not a legal tender in Ireland or Scotland and had no circulation there, and that gold also did not circulate in either country. He would hope, however, that as the Bank Acts would be the means of bringing gold within the reach of the Scotch and Irish people, they would begin at length to take to it and to receive it from the bankers as soon or, perhaps, in preference to the note, and so gradually get accustomed to a currency which it is always desirable, in the interest of both State and people, to encourage in any country rather than the small note. This chiefly because, in the event of any great national emergency, the one pound note could be made to supply the place of the sovereign for a time as a circulating medium, and the gold so liberated being added to the other gold reserves in bankers' hands would enable them to maintain the note issues of all kinds to that *full extent* which then becomes necessary, and *not* at a discount, but at par, as France was enabled to do after *doubling* its note circulation during and subsequent to its late war with Germany.

If the Scotch and Irish banks should make good their footing in England, some of them—some at least of the Scotch banks will be sure further to open branches in the provinces as well as in London, for large though the profits of these banks are at home, they see that they are considerably larger in England. Although it certainly appears from Mr. Gordon's evidence that it was like taking coals to Newcastle to open branches of the Glasgow Bank in Cumberland there is no doubt a better field for the Scotch bankers in other districts of the North of England. They must not expect, however, to occupy the same space in the public eye in England that they do at home. With one or two exceptions banking there is carried on *not* as it is in England by local banks almost exclusively throughout the provinces, but by large banks dating from Edinburgh or Glasgow with branches in every direction which nowhere however have to contend against influential local banks, but only against branch banks like their own.

The English local banks, private and joint-stock, have at their head place of business and at their branches—where they have branches—a business connection in their several localities such as the branch of any distant English or Scotch bank could not usually command. They do not need to fear such competition therefore, and providing these Scotch banks enter the field on the same footing as a new native bank they will not complain particularly as they—the Scotch banks—are generally understood to conduct their business in a respectable way. Their more important branches are also said to be usually under competent local management as well as to be subject to regular inspection not by a couple of directors as appears to be the case in some English banks, but by an experienced officer fully competent to judge accurately in respect to the business at any branch subject to his scrutiny on the spot. The manager in chief of any large bank with numerous branches which he could not personally overlook would not, if himself a sound banker, feel equal to his office unless he had the assistance of at least one efficient officer as inspector of branches. None of the great banks that have failed in England during the last thirty or forty years any more than the two that failed in Scotland had the benefit of any such inspection. But, indeed, that could have saved few if any of them the management being generally all wrong at head quarters. What a *proper* inspector is likely to do in upholding good management at the branches, directors ought to be able to do for head offices. They should on no account, however, go round professing to inspect the branches. That they cannot do, and their taking upon themselves the office relieves the head manager of his proper responsibilities there. An inspector of branches has nothing to do with the management at the head office and no good manager would tolerate interference on his part there. But all good managers would like to see the directors looking over the overdrawn, loan, and discount accounts, etc., at the head office as well as over the branch accounts sent there, and would take care to place them before them regularly. Had those duties which devolve upon directors not latterly in some unaccountable way fallen into disuse on the part of some London joint stock banks of the highest rank, they could hardly have been taken into the extent they were by a certain noted trader not long ago, particularly as many of the directors from their own business experience would know that no business such as that professed to be carried on by the individual in question, would, if sound, require to have the amount of bills that he had running at one time with any one of the great banks that he dealt with so largely if his bills had represented real transactions. It was idle to blame him therefore for doing on a grand scale what every one who deals in fictitious bills tries to do—to palm them upon the banker as genuine—to make him believe that black is white.

But, further, in reference to banking in Scotland, it may be noticed that, though its trade and population have been going on on a similar ratio to that of England, they have had no new banks whatever since the passing of the Bank Act of 1845, though losing two of their large banks since then by failure, while, therefore, the Bank Acts do not greatly favour the formation of new banks in England or Ireland, they do not admit of their formation at all in Scotland. A new bank in Scotland, without the power to circulate notes of its own of some kind would be quite helpless. It could not compete on any terms whatever with bankers there, as neither Bank of England notes nor gold circulate, or could be made to circulate there without some modification of the Currency Laws, as they now affect that country. This, in some measure, accounts for the Scotch bankers inviting English bankers to come to Scotland in the way they did. "On

the part of the public," say they, "we bid them" the English bankers' "welcome." "They will, in Dumfries, compete with the Scotch banks exactly on the same terms as the Clydesdale bank competes with them in Carlisle."*

Unfortunately the plain English of this Scottish welcome is simply this—however, that, inasmuch as the circulation of all the banks in Scotland is constantly and largely in excess of their fixed limits, they have not the means even if they had the *will* to do anything whereby any bank other than their own could possibly exist there. They cannot share their power of issue with a new bank, as is the case in Ireland, it being already, in every instance, fully absorbed by themselves. In Ireland things are different. A new bank there, by an arrangement with the Bank of Ireland (whose circulation is constantly largely within its fixed limits) can get the notes of that bank to issue, and so be enabled to deal in a currency that is accepted everywhere.

And now with the view of bringing the Bank Act of 1844 into greater harmony with the national progress, commercially and otherwise, since that time, and so to improve its working without departing from its spirit, remains to be suggested.

That such banks as have been or may be established in England out of London since 1844 should be allowed to issue their own notes where they desire it upon the deposit of consols.

That such banks as have been or may be established in Scotland or Ireland since 1845 should also be allowed to issue their own notes upon the deposit of consols, but under the condition that such notes shall not be of a lower denomination than £5.

Though it may not be expedient any more now than it was in Sir Robert Peel's time to deprive the Irish and Scotch banks established *before* 1845 of the small notes, it is desirable nevertheless as respects banks established thereafter that the integrity of the Act in regard to *small notes* should be upheld by withholding from such the privilege of the issue of notes under £5. This concession, however, would doubtless prove sufficient to enable new native establishments to take root where they are most required, and if Scotch and Irish banks are to establish themselves in England it seems only fair that English banks should be enabled to open branches in either country if that should seem to them at any time to be advisable. In such towns in Scotland as Edinburgh, Glasgow, Dundee, &c., and in Ireland as Dublin, Cork, Belfast, &c., this issue of £5 notes with sovereigns instead of the small notes would seem to put new banks upon such a footing as would enable them in certain of the more important districts, at all events, to get on with the sovereign instead of the one pound note, and such banks would no doubt also be the means of gradually making the natives see that the sovereign was quite as handy, and a far better thing to go from home with than the one pound note.

VERITAS.

* Vide Article in Blackwood's Magazine. Republished in Bankers' Magazine for December, 1875.

Communications.

To the Editor of the "Bankers' Magazine."

JOINT DEPOSITS OF HUSBAND AND WIFE.

Would you kindly inform me in your first issue of the *Bankers' Magazine*, whether a bank is safe in paying (after a husband's death) a deposit receipt, drawn in favour of "husband" and "wife," and made "payable to either or survivor" on the endorsement of the wife, without her obtaining confirmation?

Stirling.

ACCOUNTANT.

[In any case the bank should refuse to pay until production of what, in England, is called probate of the will or letters of administration, where there is no will to be proved. This, in Scotland, is called obtaining confirmation.—ED. (Law Dep.) B. M.]

BANKERS' BOOKS EVIDENCE.

Will you kindly favour me with your opinion on the following points?—

A banker sues the guarantors for an over-draft due to the bank by the party for whose account the guarantee was given. The case comes into court. The bank being a party to the cause, are the entries in the bank's ledgers evidence of the amount due by the guaranteed party, or must the actual vouchers (cheques and pay-in slips) be produced to prove the balance?

If the ledger entries are evidence, then is a copy of the account admissible in court as proof in the absence of the books, if the correctness of such copy is personally sworn to (See sec. 4 of Bankers' Books Evidence Act, 39 & 40 Vict., cap. 48)?

MANAGER.

Warrington, 13th July, 1877.

[The oath of some responsible person connected with the plaintiff (bank) as to the exact amount due, is necessary; cheques, &c., must be produced, the books alone would not be evidence, but they may be referred to by such a witness, in the box, and the defendant is entitled to call for their production, subject to section 8 of the Bankers' Books Evidence Act, 1876. See section 3 of the Act referred to. Subject to other clauses in the said Act, copies of entries may be proved by affidavit, as evidence of such entries, without production of the original.—ED. (Law Dep.) B.M.]

CROSSED CHEQUES PAYABLE TO BEARER.

I occasionally cross cheques on my banker payable to *bearer*. Will you oblige me by saying if such cheques ought to be paid except through a banker, the same as crossed cheques payable to *order*?

Dublin.

A. B.

[Such cheques ought to be paid only through a banker, the law being the same whether the cheque be payable to *bearer* or to *order*. See 39 and 40 Vic., c. 81.—ED. (Law Dept.) B. M.]

SIGNATURE OF PAYEE ON FACE OF CHEQUE.

I should be obliged by your opinion as to whether a banker is justified in refusing payment of a cheque drawn to the order of Jno. Smith,

because Jno. Smith has written his name on the face of the cheque instead of on the back.

Coventry.

A SUBSCRIBER.

[16 & 17 Vict., cap. 59., s. 19, merely requires that such a cheque shall "purport to be endorsed," &c.; it seems therefore that the endorsement you suggest is sufficient. Ed. (Law Dept.) B. M.]

CROSSED CHEQUE.

Can you tell me the effect of the crossing upon the enclosed imaginary cheque, which represents an actual one?

You will understand that the so-called Rutlandshire Banking Company are the bankers of Messrs. Thos. Jones & Co., to whom Jones & Co. have endorsed the cheque.

The crossing has first been an open one, "& Co.," then the rest added. Does the crossing mean in effect that the amount is to go to the credit of Jones & Co. with Smith & Co.?

Lancaster.

INQUIRER.

June 26th, 1877.

	Dent,		
To MESSRS. SMITH			& Co., BANKERS.
Pay THOS. JONES &			Co., or Order the
sum of Ten			Pounds.
£10			

For the Credit of THOS. JONES & CO.
Not negotiable.

WILLIAMS & CO.

[ENDORSEMENT.]

THOS. JONES & CO.:

Pay the Rutlandshire Banking Company on Order.

THOS. JONES & Co.

[The words "For the credit of Thos. Jones & Co." appear to have been added to the crossing by Jones & Co., *ex abundanti cautela*, but the intention seems to be that the amount is to go to Jones & Co.'s credit with their bankers (the Rutlandshire Banking Company).—Ed. (Law Dep.) B.M.]

GILBART LECTURES ON BANKING.

Sir,—As you have published in your last number the Gilbert Lectures on Banking, delivered by Professor Leone Levi, at King's College, I enclose the official list of the prize and certificate holders who were successful in the examination which took place at the termination of the lectures. They were attended by over 500 gentlemen, almost all of whom were employed in the different banks in London, and from amongst whom are in all probability the bank managers of the future.

You will observe that the entire contributions to the prize list amount to but £42, contributed by ten names, while officers from 35 banks com-

peted for the prizes, while many of the great banks sent their officers to the lectures without subscribing to the fund.

Seeing the great benefit the banks derive from the increased knowledge of their officers, it seems a pity that they do not each contribute a few pounds towards annual prizes, so as to make more emulation amongst their employees.

Might not some of the chief banks offer appointments in their service, or promotion, to the successful competitors, and thus secure officers of recognised high intelligence?

Your obedient servant,
BANK CLERK.

BANKING IN BABYLON SOME 2,500 YEARS SINCE.

WE derive the following curious information from a letter to the *Academy*, signed by W. St. C. Boscawen. Great light is thrown from the records of this ancient banking firm on the chronology of the Babylonian empires. This is as if, through an examination of the bank books of one of our leading London houses, future historians should be able to ascertain in ages remote from this the chronology of the reign of Queen Victoria. This is an interesting fact to the historian, but we may be allowed to indulge in a hope that a further investigation of the imperishable tablets on which the transactions of this ancient house of business are engraved, may lead to some knowledge of the method in which the great house of *Egibi* carried on its business. With this hope we have much pleasure in laying the following information before our readers:—

“In my former letter on the new collection of antiquities from Babylon, acquired by Mr. George Smith for the Trustees of the British Museum, I referred to the great light we might expect to gain from them on the chronology of the late Babylonian and Persian empires.

“The tablets are the commercial papers or cheques and notes of a Babylonian banking firm, trading under the name of the founder *Egibi*. This firm appears from its close connection with the Court to have been a sort of national bank of Babylonia, and certainly its transactions were of a most extensive character. Having, since my former letter, been almost exclusively engaged in the examination of this important series of documents, I now endeavour to lay before you some of the results I have obtained from my investigations.

“The principal point to ascertain at first was the order in which the various descendants of *Egibi* succeeded to the direction of the firm, and from examination of the documents the following genealogical succession is obtained:

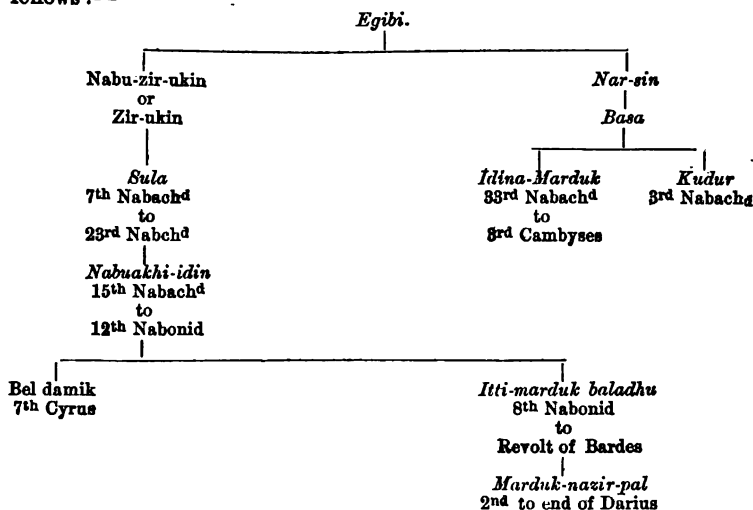
“*Sula*, son of *Zirukin*, son of *Egibi*, appears as contracting party in the 3rd year of Nebuchadnessar, and continues to be at the head of the firm until the 23rd year of that monarch. In the 15th year of this reign his son *Nabu-akhi-idin* is taken into the firm, and appears in company with his father as contracting party. *Nabu-akhi-idin*, on the death of *Sula*,

his father, becomes the manager of the firm, and continues such until the 12th year of *Nabonidus*. In the 8th year of this latter king *Nabu-akhi-idin* takes into the firm his son *Itti-Marduk baladhu*, who appears together with his father until the 12th year, when he succeeds him as the proprietor.

"*Itti-Marduk baladhu* continues at the head of the firm during the remainder of the reign of *Nabonidus* and through the following reigns of *Cyrus* and *Cambyzes*, and dies, or is lost sight of, during the revolt of *Bardes*, the pseudo-*Smerdis*.

"*Marduk-nazir ablu* (pal), a son of *Itti-Marduk baladhu*, appears in the 2nd year of *Darius* as head of the firm, and continues as such during the remainder of the reign of that monarch.

"Other members of the family are found as witnesses and contracting parties, thus forming additional checks by which to regulate the chronology. The family tree of the *Egibi* family as derived from the tablets is as follows :—



"The tablets give us a complete succession of annual transactions, from the first of *Nabuchadnezzar* to the thirty-fifth of *Darius*. There is one tablet dated in the fourth year of *Nabu pal uzur* (*Nabopalassar*); tablets dated in the reign of this monarch are very rare.

"By means of a lunar eclipse mentioned by *Claudius Ptolemaeus* as taking place in the fifth year of *Nabopalassar*, we are enabled to fix the date of this year to B.C. 621; this gives B.C. 625 as the first year of this monarch."

From this date, for more than a century, this bank appears to have carried on its business regularly, but in the month *Ab*, B.C. 516, the revolt of *Aracus* against *Darius* took place, the firm of *Egibi* were unable to transact any business owing to the revolt at *Babylon*, and the history of this remarkable bank cannot be traced any further.

SMALL SALARIES AND CRIME.

Extract from the Glasgow Weekly Herald.

To plead in excuse of dishonesty that one is miserably paid will never hold good in common law or in common sense; still it must be considered a mistake on the part of employers to push honesty to the verge of heroism of employées. An instance of this was afforded the other day at the Circuit Court held at Dumfries, positively pathetic in its interest. The accountant of the branch agency of the City of Glasgow Bank in that town pleaded guilty to the charge of breach of trust, and of appropriating to his own uses upwards of £1,400 of the bank's money, and was sentenced to a year's imprisonment. From a memorial presented to the presiding judge, Lord Young, signed by the provost and a number of the more influential citizens of the town, and the truth of which may be estimated from the fact that Lord Young acceded to the request to the extent of making the sentence he passed as lenient as possible, it would appear that the condemned was a very respectable, amiable, hard-working and generally-esteemed young man. And the story which was revealed at the trial is one that the City of Glasgow and all other good banks would do well to fully consider—as would, indeed, for that matter, all employers of “broadcloth” as compared with “fustian” labour. According to the statements made by the young man's counsel, not objected to by the Crown Advocate, and included by Lord Young in his statement when delivering sentence, this man came to Dumfries from Glasgow some twelve years ago as accountant of the City of Glasgow Branch Bank, with a salary of £60 a year. From 1864 onwards, however, he seems not only to have been accountant, but in reality agent of the branch bank. Acting in this capacity, the youthful accountant received only £85 of salary. It is true he occupied the free house allowed to the manager of a branch bank, but of course the occupying of such a house also involved the keeping of it up. Then comes the old story. The young man, Kirkpatrick by name, being virtually manager of the branch bank in Dumfries, is looked upon as a person of some importance in that town. He “goes out in good society;” he has, in some respects for the bank's sake, to “keep up a respectable position,” while he is the sole support of the other members of the family. Perhaps after this it is not very surprising to learn that in 1876 he is found £1400 to the bad, and not in his own books but in the bank's. No doubt it is open to maintain that Kirkpatrick should, at all hazards, have lived upon his income. This is, however, simply to argue that men should be heroes. No doubt all of us should be, but common sense admits that we are not; law, as indicated by Lord Young's judgment, acknowledges the fact, and generosity refuses to push matters to the heroic extreme. Of course, any bank is at liberty to give a salary to a bank teller or a bank manager of no more than £85 if it can get a man to fill such a position for such a sum. One circumstance, however, makes this case, as Lord Young puts it, an “odd” one. To quote his words, “The salary of £85 a year was recognised as being insufficient to enable you to live in the manager's house; you were allowed credit, and to overdraw your account to the extent of some £400 as the agent in Dumfries for the bank. This was rather a dangerous condition to allow the affairs of a bank to get into.” Certainly the condition of the case looks to the outsider a curious mixture of niggardliness and extravagance. An employé is given a poor salary, but is also allowed to overdraw on his employers to the extent of hundreds of pounds—to an

extent, indeed, that would seem to render it impossible for him to rectify matters out of his own resources or in a fair way. There certainly seems no ground for special reflection upon the bank, but there does seem good ground for expressing the hope that it is wise policy to give officials good salaries when they are in positions that, in a manner, compel them to maintain a certain status. The alarming number of, in many respects, good men who have of late gone wrong because they have happened to have the power of putting only a little money in their pockets while turning over a great deal with their hands, should teach that honesty on the one side should be met by generosity on the other.

TENDERS FOR BILLS ON INDIA.

The tenders for £265,000 in bills and telegrams on India were received 27th June at the Bank of England. The amounts allotted were:—To Calcutta, £163,635, at an average rate of *ls.* 8-693d.; to Bombay, £100,000, at an average rate of *ls.* 8-687d.; and to Madras, £1,365, at an average rate of *ls.* 8-687d. Tenders on Calcutta and Madras for telegrams, at *ls.* 8 11-16d., will receive about 75 per cent.; bills at that price and all above in full. On Bombay tenders for bills only at that price will receive 90 per cent.

The tenders for £265,000 in bills and telegrams on India were received 4th July at the Bank of England. The amounts allotted were:—To Calcutta, £159,000, at an average rate of *ls.* 8-7d.; to Bombay, £80,000, at *ls.* 8-68d.; and to Madras, £1,000 at *ls.* 8-75d. Tenders on all Presidencies for bills and telegrams at *ls.* 8 11-16d. and above will be received in full.

At the Bank of England 11th July, the tenders for £265,000 in bills and telegrams on India were opened. The amounts allotted were:—To Calcutta, £189,000, at an average rate of *ls.* 8-76d.; to Bombay £100,000, at an average rate of *ls.* 8-765d.; and to Madras, £1,000, at an average rate of *ls.* 8-75d. Tenders on Calcutta and Madras for bills at *ls.* 8½d. will receive about 10 per cent., all above in full; on Bombay at that price for bills 50 per cent.

At the Bank of England, 18th July, the tenders for £265,000 in bills and telegrams on India were received. The amounts allotted were:—To Calcutta, £193,950, at an average rate of *ls.* 8-998d.; to Bombay, £60,050, at an average rate of *ls.* 8-911d.; and to Madras, £11,000, at an average rate of *ls.* 8-937d. Tenders on Calcutta and Madras for bills and telegrams at *ls.* 8 15-16d. will receive in full; on Bombay, at *ls.* 8½d. for bills about 50 per cent.; all above in full.

Monthly Notes.

An extraordinary general meeting of the shareholders of the STANDARD BANK of BARRISB SOUTH AFRICA (Limited) was held 4th July, to consider the resolution passed at the meeting on the 19th June. Mr. Mackenzie presided, and moved the confirmation of the resolution. A long discussion followed, in the course of which Mr. Calder, who represented Mr. Wilson, and other gentlemen took part, and ultimately the resolution was carried by 55 against 15. Other resolutions were also passed, and a vote of thanks to the chairman terminated the proceedings.

AUSTRALIAN SOVEREIGNS.—In the last 21 years the Sydney Mint has coined and issued more than 37,000,000 sovereigns; and the Melbourne Mint has coined and issued nearly 7,000,000 sovereigns since it was opened to the public in 1872. These two branch Mints together coined and issued in 1876 as many as 3,737,000 sovereigns, which is a larger number than the sovereigns coined in the year at the Mint in London.

The directors of the Birmingham Banking Company (Limited), at the Board meeting held on the 2nd July, decided to pay a dividend at the rate of 15 per cent. per annum for the past half-year, to add £12,000 to the guarantee fund, making it £152,000, and to carry forward the balance of £2,766 to next year.

The Bank of Bengal have declared a dividend for the past half-year at the rate of 10 per cent. per annum, and after adding £4,000 to bad debt account, and £24,000 to reserve fund, £12,400 is carried forward.

The directors of the West of England and South Wales District have declared an interim dividend of 4 per cent. for the half-year ended 30th of June, free of income tax, being at the rate of 8 per cent. per annum.

The directors of the Wilts and Dorset Banking Company have declared their usual Midsummer dividend of 20 per cent. per annum.

The directors of the Liverpool Commercial Bank have declared a dividend of 10s. per share, free of income tax, for the half-year ending June 30th last, being at the rate of 10 per cent. per annum.

The report of the Merchants' Bank of Canada states that the directors have decided to write off 25 per cent. of the paid-up capital as lost, besides setting aside \$750,000 as a contingent fund to meet possible losses still to be realised on the real estate in which the bank appears to be interested. Of the items going to make up the losses already realised, \$224,000 is on account of the Quebec Loan which was brought out on the market here last summer. In order to reduce the expenses, the London office is to be closed at the end of the present year, three branches have already been closed in Canada, and in the meantime no dividends will be paid.

The directors of the North and South Wales Bank declare a dividend of 10s. per share for the half-year ended the 30th ult. on the capital of the company, and bonus of 7s. 6d. per share (being at the rate of 17½ per cent. per annum).

To replace the Treasury Bills paid off on the 28th June, tenders for £1,639,000 Government Treasury Bills were received at the Bank of England on the 3rd July, when it was found that the applications for bills at three months reached £2,406,000, and those for six months £1,324,000. Tenders for the former at £99. 10s. (say 2 per cent. per annum) received about 36 per cent., and those for the six months' bills at £98. 17s. 5d. (say £2. 5s. 2d. per cent. per annum), in full. All tenders above these figures (that is at a lower rate of discount) obtained the full amount of their applications. The bills are issued in sums of £1,000, £5,000, and £10,000 each, are dated July 9, when the money must be paid, and will fall due on October 9 and January 9.

The National Bank of Greece has decided to pay a dividend of 113 drachmas 62 centimes per share for the first half-year of 1877. This is equivalent to 23 per cent. on the nominal amount of the shares.

The directors of the Hampshire and North Wilts Bank declare a dividend at the rate of 20 per cent. per annum, free of income-tax, for the first half of the current year.

The Lancashire and Yorkshire Bank have declared for the half-year ended 30th June an interim dividend of 8s. per share, being at the rate of 8 per cent. per annum, free of income-tax.

The directors of the Halifax Joint Stock Bank have declared the usual interim dividend of $7\frac{1}{2}$ per cent., clear of income-tax, for the six months ending 30th June last, and will be payable on August 1.

Bombay has lost a notable citizen by the death of Sir Jamsetjee Jeejeebhoy, head of the Parsee community, a man as distinguished for his liberality and public spirit as was his father, the first native Indian honoured with the title of baronet. All the banks in Bombay were closed for a day as a mark of respect to his memory.

The directors of the Lancashire and Yorkshire Bank have declared out of the profits of the half-year, ending 30th June last, an interim dividend of 8s. per share, being at the rate of 8 per cent. per annum, clear of income-tax.

The directors of the Liverpool Commercial Bank have declared a dividend of 10s. per share, free of income-tax, for the half-year ended June 30 last, being at the rate of 10 per cent. per annum.

The directors of the London and Hanseatic Bank have declared their usual interim dividend of 3s. 6d. a share, equal to 5 per cent. per annum.

BANK MOVEMENTS.

The directors of the Standard Bank of British South Africa have, subject to the approval of their shareholders, appointed Sir W. H. Drake, K.C.B., and Mr. Alexander Croll, to seats at their board, the said gentlemen having been late directors of the London and South Africa Bank, now amalgamated with the Standard Bank.

MONTHLY CHRONOLOGY.

July 2nd.—In the Greek Chamber the Finance Minister brought in a bill authorising him to issue a foreign loan of twenty million drachmas and a domestic loan of the same amount. He also asked for a credit of thirty-five millions for armaments.

3rd.—The agent of the Government of British Columbia invites subscriptions for a loan of £150,000 in 6 per Cent. debentures at par for that colony. The loan will form a first charge on the revenues, which amounted last year to about £78,000, including the Canadian Dominion subsidy, paid out of Customs and Excise.

3rd.—The tenders for £1,639,000 treasury bills were opened at the Bank of England. The applications for bills at three months amounted to £2,406,000, and for bills at six months to £1,324,000.

5th.—The Bank of Bengal has made a further reduction of 1 per cent. in its *minimum* rate to 5 per cent.

5th.—Mr. Sherman, the Secretary of the United States treasury, has made a further call of \$10,000,000 of 5-20 United States bonds for redemption.

9th.—The tenders for the new Indian Four per Cent. loan of 25,000,000 rupees were opened to-day. Applicants at $95\frac{1}{2}$ receive 70 per cent., and all above in full. The official sealed *minimum* was not announced.

12th.—The prospectus has been issued by Messrs. Rothschild, Messrs. Morgan, and the other members of the Syndicate of the United States New 4 per Cent. Funding Loan for \$700,000,000, or £140,000,000. The bonds are not redeemable till 1907, so that they have thirty years to run, and the price of issue is $\$102\frac{1}{2}$ for every \$500 bond, or nearly as possible par.

16th.—The vanguard of the Russian army crossed the Balkans without striking a blow.

16th.—The Secretary to the United States Treasury, has called in \$10,000,000 of Five-Twenty Bonds for redemption.

20th.—Telegrams have been received, announcing the suspension of the Punjab Bank (Limited). It is a small concern, with a capital of £20,000, having its head office at Rawul Pindie and three branches in the Punjab. It is believed that, although the capital is lost, the depositors will recover their money.

20th.—The total amount of the popular subscriptions at par to the Four per Cent. Loan in the United States, is \$85,982,500.

20th.—Another call of \$10,000,000 of 1865 bonds has been made by the secretary of the United States Treasury at Washington.

23rd.—The railway strike in America is spreading among the employes of the Pennsylvania, New York, and Western lines, and the militia to the respective States have been ordered to the threatened points.

MERCANTILE EMBARRASMENTS.

The *Manchester Courier* announces the suspension of John Oldroyd, Firby Park, Huddersfield and Dewsbury, trading under the style or firm of Oldroyd Brothers and Co., carpet manufacturers. The liabilities are estimated at £270,000 or £280,000. Mr. Oldroyd was formerly a director of the firm of Messrs. M. Oldroyd and Sons (Limited), Dewsbury, but his connexion with that concern has ceased, and his failure will not affect it in any way.

Referring to the suspension of Mr. John Oldroyd, the *Manchester Courier* states that Mr. Little, of the firm of Messrs. Taylor, Jefferies, and Little, solicitors, of Bradford, filed a petition in the Dewsbury County Court. The estimate of the liabilities as filed in the court is £295,300, but opinion varies as to the probable assets. Mr. John Blackman, accountant, of Bradford, has been appointed the receiver.

Some surprise and regret has been expressed in Indian financial circles at the announcement of the suspension of Messrs. H. Clason and Co., of Liverpool, Bombay, &c. The firm was well respected, and has hitherto enjoyed good credit, and up to within the last week duly retired all bills. The liabilities are roughly estimated at about £100,000, and the out-turn is expected to be favourable.

COURT OF BANKRUPTCY.—RE HARTMONT.

The debtor, Edward Herzberg Hartmont, a financial agent carrying on business in Lombard Street, recently presented a petition for liquidation, with liabilities estimated at £415,540 and assets £23,162. He had been engaged in litigation in the Chancery Division of the High Court of Justice in reference to his connection with the Phosphate Sewage Company. At the first meeting a resolution was passed for liquidation by arrangement, and a trustee was appointed.

Mr. Terrell now applied that registration should be allowed; Mr. Jeune, for a creditor, supported the application; and Mr. R. Melville, opposed.

His Honour directed the resolution to be registered.

Monetary Review.

THE bank rate for money has this month gone back to its lowest point of 2 per cent., which was reached on the 12th of the month by a reduction of $\frac{1}{2}$ per cent., a like fall of $\frac{1}{2}$ per cent. having taken place in the previous week, so that the authorities appear to have

moved with some degree of commendable caution in view of the political circumstances which surround the country. The market rate for money declined during the month of June, and had got so considerably below the Bank of England rate that, in the absence of any sudden emergency occurring, a fall in the recognised minimum became a matter of tolerable certainty, so soon as the pressure from the demands incidental to the period ceased to operate on the supply of money. Although the Bank's reserve marked a reduction in the week in which the first fall took place, its condition on the whole had been strengthened during the previous month; moreover the release of much money was about taking place by the payment of dividends. Bills which had previously been held back in expectation of a reduction came in more freely for discount at first, but the extra supply of them thus put upon the market became soon exhausted, and before the week was out rates had again receded, and the best market rate was $\frac{1}{2}$ below the Bank. The average rates for £1,639,000 of Treasury bills, taken up on the 9th, were £1. 18s. 7d. for 3 months and £2. 3s. 4d. for 6 months bills as against £1. 14s. 9d. and £2. 4s. 1d. respectively in March. Towards the middle of the month a large amount of Australian gold found its way into the Bank of England, showing an absence of demand for foreign requirements, and giving increase of strength to the reserves of that institution, but at the same time causing weakness in the outside rates for money, which continued to recede before the further reduction to 2 per cent. was made in the Bank rate on the 12th July. When the announcement of the Bank having again reached its lowest rate of discount became known, the market rate touched $1\frac{1}{2}$, and such was the absence of demand, notwithstanding the Stock Exchange settlement of the middle of the month, that short loans could be done readily at 1 per cent.

The ease and calm of the Money Market in view of surrounding circumstances is very remarkable; the German demand for gold has again come to the front, whilst political considerations must not be lost sight of. At such a time nothing would tend more to re-assure the minds of the financial and mercantile community than the existence of an ample reserve at the central institution to which they look for support in times of distrust and weakness.

It is satisfactory to find that the revenue return for the quarter ending June last continues to give some evidence of improvement in the condition of the trade of the country, as gauged by the financial barometer of the yield from the Customs and Excise; these two main items show a very considerable increase over the corresponding period of last year; besides which there is an important increase in the item of Stamps, which has of late been in a great measure depressed, owing to the falling off in the number of commercial bills put into circulation. We are glad to hail any symptoms indicative of a return to greater activity in the commercial world.

The following remarks upon business in America, from Messrs.

McCulloch & Co.'s New York Circular of 5th July, are not without a tone of encouragement :—

“The retrospect of the first half of the year is not wholly without encouragement; compared with the corresponding six months of 1876 there is a clearly defined improvement. Business cannot be said to have been active, but it has been more so than last year; profits have not been liberal, but they have been steadier and larger than at any time since 1872. Values, too, have shown an encouraging steadiness, and hence business has shown a wholesome exemption from purely speculative movements. It is generally conceded that business has now settled down upon a sound and conservative basis, affording reasonable inducements to commercial ventures. For the most part wages and prices have fallen as low as they can be reasonably expected to go—much, indeed, below their usual parity compared with other countries. Credits have been well purged of all elements of weakness, so that there is more confidence among both merchants and bankers. But, in spite of these renovated conditions, business continues to move with comparative slowness, and is most rigidly regulated by the current demand for consumption. This is perhaps natural enough after the lessons of caution taught by the experience of the last four years; but, nevertheless, it may be taken for granted that affairs have reached a condition in which they will respond quickly to new inducements to enterprise. At present it is not very apparent whence such inducements are likely to come; but if, after a little more waiting, they should fail to come in a legitimate way, speculation will not fail to invent them. It is quite probable that this tendency may be held in check temporarily by the uncertainties arising out of the preparations for the resumption of specie payments. Until those measures are fully developed and their consequences ascertained, the banking class at least will be cautious, which will impose a certain degree of restraint even upon the most legitimate operations. At present the measures contemplated by the Government, in pursuance of resumption, are very much an official secret, nothing being known beyond what may be inferred from the fact that the treasury is selling for that purpose \$5,000,000 of bonds per month and devoting the proceeds either to the accumulation of a gold reserve or to the redemption of legal tenders.”

The Stock Markets have been almost devoid of feature during the month. At the settlement at the end of June Russian stocks were still scarce for delivery, which circumstance, combined with reports of Russian victories, checked the speculators for the fall and tended to sustain prices. The reports which were spread of an intention on the part of our Government to ask for an extra grant of money not meeting with due confirmation relieved the minds of many, and led to an advance in the price of Consols and other Government and Colonial securities. The despatch of the fleet to Besika Bay, however, caused some reaction in prices, but the lowering of the Bank rate and the prospect of cheap money pre-

vailed in a measure over political considerations and the drooping tendency of the markets, whilst much assistance in the same direction was derived from the Paris Bourse, where money was likewise cheap and apparently abundant.

This abundance in Paris of floating money may, probably, be attributed in some measure to political considerations, capital being restrained from flowing in the ordinary channels of trade by the state of uncertainty existing there. In the middle of the month a less quiet tone prevailed on the Stock Exchange, and more fluctuations occurred in speculative stocks, with a tendency to depression; the occurrence of the bi-monthly settlement, however, had a sedative effect. In the foreign market Turkish stocks rose upon the news of Russian difficulties in Asia Minor, whilst a fall occurred in Russian, Austro-Hungarian, Italian and some other foreign stocks. English railways have been fairly supported, the fall in the value of money being much in their favour, at the same time disappointment is felt at some of the dividends already announced.

Prices of United States Government bonds are sustained, notwithstanding the issue here of the new 4 per cent. loan, the issue price, however, of 102½, being relatively high. Advantage was taken, by speculators on the Stock Exchange, of some experiments made with a view to the introduction of the electric light for illuminating buildings and rooms, to operate upon gas companies' shares, but though they succeeded in bringing down prices very considerably for a short time, a reaction soon set in and restored them to an equilibrium.

The news, which arrived later in the month, of the Russian forces having penetrated through the Balkan passes, whilst it caused a slight decline in Consols, on the other hand produced a better effect upon the markets generally, being taken as indicative of an earlier cessation of the war. The accounts received from America of the spread of serious disturbances in connection with the railway strikes in that country, have caused a fall in the price of United States Railway Stocks, which has extended to some Canadian lines also.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to the Proprietors, **Waterlow & Sons Limited, 25, Great Winchester Street, London**, who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received.

BANKERS' CLEARING-HOUSE RETURNS.

FOR THE QUARTER, APRIL TO JUNE, 1877.

LONDON.			MANCHESTER.		
	£	£		£	£
April 5 Thursday	16,255,000		April 2 Monday Bank Holiday		
6 Friday	18,302,000		3 Tuesday	397,000	
7 Saturday	14,914,000		4 Wednesday	660,000	
9 Monday	15,414,000		5 Thursday	299,000	
10 Tuesday	16,706,000		6 Friday	294,000	
11 Wednesday	15,611,000		7 Saturday	362,000	
		97,202,000			2,012,000
April 12 Thursday	29,318,000		April 9 Monday	275,000	
13 Friday	16,105,000		10 Tuesday	183,000	
14 Saturday	18,052,000		11 Wednesday	311,000	
16 Monday	16,924,000		12 Thursday	221,000	
17 Tuesday	16,133,000		13 Friday	335,000	
18 Wednesday	16,195,000		14 Saturday	343,000	
		112,727,000			1,668,000
April 19 Thursday	12,527,000		April 16 Monday	232,000	
20 Friday	14,683,000		17 Tuesday	161,000	
21 Saturday	13,343,000		18 Wednesday	223,000	
23 Monday	13,186,000		19 Thursday	156,000	
24 Tuesday	12,210,000		20 Friday	244,000	
25 Wednesday	13,017,000		21 Saturday	260,000	
		78,966,000			1,276,000
April 26 Thursday	15,725,000		April 23 Monday	221,000	
27 Friday	32,426,000		24 Tuesday	182,000	
28 Saturday	17,727,000		25 Wednesday	253,000	
30 Monday	16,680,000		26 Thursday	201,000	
May 1 Tuesday	13,720,000		27 Friday	345,000	
2 Wednesday	14,183,000		28 Saturday	555,000	
		110,461,000			1,757,000
May 3 Thursday	18,389,000		April 30 Monday	343,000	
4 Friday	17,799,000		May 1 Tuesday	309,000	
5 Saturday	16,031,000		2 Wednesday	385,000	
7 Monday	14,657,000		3 Thursday	243,000	
8 Tuesday	13,997,000		4 Friday	283,000	
9 Wednesday	14,608,000		5 Saturday	324,000	
		95,479,000			1,887,000
May 10 Thursday	13,044,000		May 7 Monday	257,000	
11 Friday	13,350,000		8 Tuesday	172,000	
12 Saturday	14,704,000		9 Wednesday	283,000	
14 Monday	14,746,000		10 Thursday	175,000	
15 Tuesday	16,488,000		11 Friday	238,000	
16 Wednesday	36,641,000		12 Saturday	303,000	
		108,973,000			1,428,000
Forward ..	603,808,000		Forward ..	10,028,000	

LONDON.

		£
	Brought forward	603,808,000
May 17	Thursday	£16,332,000
18	Friday	16,948,000
19	Saturday	16,410,000
21	Monday	
22	Tuesday	18,401,000
23	Wednesday	15,946,000
		84,037,000
May 24	Thursday	12,836,000
25	Friday	13,933,000
26	Saturday	13,916,000
28	Monday	12,145,000
29	Tuesday	14,464,000
30	Wednesday	12,526,000
		79,810,000
May 31	Thursday	28,596,000
June 1	Friday	16,658,000
2	Saturday	14,877,000
4	Monday	15,492,000
5	Tuesday	16,621,000
6	Wednesday	14,524,000
		106,768,000
June 7	Thursday	13,080,000
8	Friday	12,729,000
9	Saturday	13,820,000
11	Monday	14,245,000
12	Tuesday	15,863,000
13	Wednesday	14,355,000
		84,092,000
June 14	Thursday	30,247,000
15	Friday	16,538,000
16	Saturday	15,603,000
18	Monday	13,272,000
19	Tuesday	16,999,000
20	Wednesday	13,475,000
		106,134,000
June 21	Thursday	11,888,000
22	Friday	14,230,000
23	Saturday	13,780,000
25	Monday	13,864,000
26	Tuesday	15,013,000
27	Wednesday	13,025,000
		81,800,000
June 28	Thursday	13,188,000
29	Friday	33,175,000
30	Saturday	20,201,000
July 2	Monday	19,113,000
3	Tuesday	17,944,000
4	Wednesday	22,161,000
		125,782,000
		<u>1,272,231,000</u>

MANCHESTER.

		£
	Brought forward	10,028,000
May 14	Monday	£206,000
15	Tuesday	149,000
16	Wednesday	273,000
17	Thursday	193,000
18	Friday	294,000
19	Saturday	297,000
		1,412,000
May 21	Monday Bank Holiday	
22	Tuesday	352,000
23	Wednesday	237,000
24	Thursday	133,000
25	Friday	83,000
26	Saturday	77,000
		882,000
May 28	Monday	119,000
29	Tuesday	275,000
30	Wednesday	476,000
31	Thursday	220,000
June 1	Friday	262,000
2	Saturday	356,000
		1,708,000
June 4	Monday	261,000
5	Tuesday	254,000
6	Wednesday	331,000
7	Thursday	241,000
8	Friday	249,000
9	Saturday	316,000
		1,652,000
June 11	Monday	206,000
12	Tuesday	177,000
13	Wednesday	249,000
14	Thursday	182,000
15	Friday	311,000
16	Saturday	345,000
		1,470,000
June 18	Monday	240,000
19	Tuesday	171,000
20	Wednesday	233,000
21	Thursday	176,000
22	Friday	230,000
23	Saturday	311,000
		1,361,000
June 25	Monday	242,000
26	Tuesday	178,000
27	Wednesday	274,000
28	Thursday	221,000
29	Friday	323,000
30	Saturday	570,000
		1,808,000
		<u>20,321,000</u>

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1876.	£	£	%	£	£	£
Oct. 4	29,249,745	34,127,760	117	15,712,817	15,906,720	6,383,517
11	29,095,750	33,514,385	115	18,202,925	16,018,786	6,181,234
18	28,961,050	32,712,360	113	17,802,925	16,107,468	5,422,087
25	28,541,080	32,775,515	114	17,202,925	16,162,097	5,543,444
Nov. 1	28,782,855	32,190,735	112	17,008,228	16,639,955	5,781,462
8	28,504,940	31,019,690	109	16,308,228	16,538,345	5,666,471
15	28,037,050	30,248,020	108	15,739,297	16,502,061	5,566,667
22	27,802,905	29,643,670	107	15,739,297	16,542,567	6,037,391
29	27,554,155	28,623,170	104	15,739,297	16,752,031	6,538,842
Dec. 6	27,612,925	28,544,460	103	15,832,797	17,102,566	6,398,081
13	27,196,160	28,199,140	104	15,833,004	17,017,236	7,231,852
20	27,460,980	28,082,925	102	15,934,208	17,083,627	7,785,933
27	27,898,255	27,810,945	100	15,958,653	17,518,852	8,173,488
1877.						
Jan. 3	28,622,775	27,533,430	96	15,969,162	19,582,320	6,203,440
10	28,302,820	27,351,155	96	18,766,486	17,516,675	4,373,157
17	28,037,420	26,484,820	94	18,267,876	17,676,106	3,955,536
24	27,638,950	26,319,380	95	17,317,876	17,762,841	4,101,623
31	27,592,885	26,650,241	97	16,367,876	17,732,917	4,837,165
Feb. 7	27,814,430	25,624,520	92	16,001,441	17,787,156	5,613,338
14	27,541,435	25,590,545	93	16,001,441	17,818,123	6,632,609
21	27,177,240	25,824,255	95	16,026,176	17,576,949	6,857,731
28	27,216,605	26,010,290	96	16,026,176	19,071,302	7,215,293
Mar. 7	27,347,790	25,510,290	93	15,988,176	19,049,118	8,295,675
14	27,058,190	25,554,275	94	15,998,532	19,103,570	8,695,941
21	26,961,195	25,495,540	94	16,002,035	19,344,179	8,883,936
28	27,982,640	25,742,035	92	15,502,035	23,766,279	11,530,029
April 4	28,412,165	25,283,790	89	15,308,096	22,854,102	9,916,041
11	28,566,345	25,081,145	88	15,319,338	19,514,925	6,835,131
18	28,415,030	25,175,295	88	15,329,901	19,490,216	6,457,402
25	28,385,390	24,835,320	88	15,329,901	19,269,702	6,473,216
May 2	29,077,985	24,228,650	83	15,340,207	20,482,345	6,315,550
9	28,546,885	23,972,650	84	15,348,494	19,646,733	6,638,594
16	28,479,010	23,981,900	84	15,364,904	19,365,162	6,577,403
23	28,065,055	24,000,705	85	15,364,904	19,347,395	6,415,639
30	27,955,420	24,021,990	86	15,334,904	19,082,728	6,623,808
June 6	28,035,185	24,444,240	87	15,214,859	19,379,635	7,243,548
13	27,729,660	24,832,340	89	15,214,859	18,663,592	7,914,651
20	27,406,290	25,693,950	94	15,214,859	18,444,770	8,133,581
27	27,994,045	25,910,475	93	15,214,859	18,510,050	8,760,469
July 4	28,774,340	26,076,865	90	14,989,321	20,429,201	5,727,684
11	28,767,460	26,746,945	93	16,089,088	18,289,670	3,761,325
18	28,598,090	26,776,435	94	15,889,088	18,249,551	5,351,334

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount.
1876.	£	£	£	£	%	
Oct. 4	27,196,160	373,151	33,952,828	20,566,672	60	2
11	30,003,658	416,160	63,601,052	19,999,772	55	—
18	29,857,947	401,432	35,681,466	19,396,451	45	—
25	29,488,402	358,306	35,390,152	19,653,789	55	—
Nov. 1	29,103,020	366,409	35,250,891	19,218,686	54	—
8	27,393,442	369,778	33,429,691	18,200,927	54	—
15	26,542,056	380,328	21,489,051	17,870,258	55	—
22	25,914,347	360,080	32,311,818	17,653,891	54	—
29	24,916,197	348,338	31,803,377	16,902,034	53	—
Dec. 6	25,427,699	311,946	32,137,726	16,787,290	52	—
13	24,505,596	334,620	32,072,038	16,809,930	52	—
20	23,634,924	321,397	31,742,254	16,315,553	52	—
27	22,875,676	299,153	31,348,317	15,467,179	49	—
1877.						
Jan. 3	25,936,786	328,619	32,468,845	14,591,390	45	—
10	28,385,591	381,955	33,140,703	14,694,912	44	—
17	28,086,715	349,136	32,391,387	14,317,794	44	—
24	27,365,718	331,834	31,799,175	14,591,076	46	—
31	25,146,245	315,669	30,299,079	14,057,356	46	—
Feb. 7	23,520,174	329,031	29,462,543	13,562,473	46	—
14	22,890,468	297,860	29,820,937	13,896,824	47	—
21	23,162,710	280,370	30,290,811	14,581,064	48	—
28	24,039,409	258,794	31,513,496	14,704,822	47	—
Mar. 7	22,235,162	302,062	30,832,899	14,086,465	45	—
14	22,289,135	264,315	31,249,391	14,441,048	46	—
21	22,264,911	267,221	31,416,068	14,376,131	45	—
28	22,615,486	304,262	34,449,777	13,481,652	39	—
April 4	22,215,615	300,812	32,432,468	12,572,518	39	—
11	22,430,616	367,973	29,633,720	12,418,314	42	—
18	23,190,134	329,403	29,976,939	12,779,964	43	—
25	22,477,887	318,512	29,269,615	12,294,320	42	—
May 2	22,480,099	337,059	29,132,708	10,926,636	37	3
9	21,682,317	344,820	28,665,731	11,290,864	39	—
16	21,703,571	333,520	28,614,494	11,514,653	40	—
23	22,167,827	288,726	28,872,092	11,789,442	40	—
30	22,141,497	264,898	28,920,203	12,063,767	41	—
June 6	21,702,873	253,096	29,199,517	12,189,816	41	—
13	21,138,081	269,761	29,322,493	13,031,796	44	—
20	21,888,742	257,035	30,279,358	14,209,534	47	—
27	20,957,739	241,753	31,969,961	13,832,353	43	—
July 4	24,894,691	286,179	30,908,554	13,174,000	43	2½
11	26,371,822	309,859	30,442,506	13,911,797	46	2
18	24,632,345	305,975	30,289,654	14,031,602	46	—

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

PUBLIC INCOME AND EXPENDITURE.

The following are the receipts into and payment out of the Exchequer between April 1, 1877, and July 21, 1877 :—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1877-78.	Total Receipts into the Exche- quer from April 1, 1877, to July 21, 1877.	Total Receipts into the Exche- quer from April 1, 1877, to July 21, 1877.
Balance, April 1, 1877.	£	£	£
Bank of England	—	4,815,797	3,826,896
Bank of Ireland	—	1,172,853	1,292,691
		5,988,650	5,119,587
REVENUE.			
Customs	19,850,000	5,825,000	5,804,000
Excise	27,500,000	8,189,000	8,181,000
Stamps	10,920,000	3,515,000	3,430,000
Land Tax & House Duty	2,560,000	581,000	495,000
Property and Income Tax	5,540,000	1,158,000	807,000
Post Office	6,100,000	2,107,000	1,990,000
Telegraph Service	1,300,000	400,000	375,000
Crown Lands	410,000	83,000	83,000
Interest on advances for Local Works and on Purchase Money of Suez Canal Shares	949,000	331,869	225,497
Miscellaneous	3,891,000	950,299	1,215,347
Revenue	79,020,000	23,140,168	22,605,844
Total, including balance		29,128,813	27,725,431
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)	—	—	700,000
Advances under various Acts, repaid to Exchequer		459,189	464,326
Money raised for Fortifications & Military Barracks		500,000	—
Ditto Local Loans, by Exchequer Bonds		—	500,000
Ditto ditto Treasury Bills ..		1,639,000	—
Temporary Advances not repaid		300,000	800,000
Totals	£	32,027,007	30,189,757

EXPENDITURE AND OTHER PAYMENTS.

EXPENDITURE.	Estimate for the Financial Year 1877-78.	Total Issues out of Exchequer to meet Payments from April 1, 1877, to July 21, 1877.	Total Issues out of Exchequer to meet Payments from April 1, 1877, to July 21, 1877.
	£	£	£
Permanent charge of Debt	28,000,000	12,490,721	12,466,774
Interest on Temporary Loans for Local Works, and Interest, &c., on Ex- chequer Bonds (Suez)	420,000	39,709	17,500
Other charges on Consolidated Fund	1,600,000	670,715	722,109
Supply Services	48,774,000	14,598,352	14,176,194
Estimate	78,794,000		
Expenditure		27,799,497	27,382,577
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		1,048,964	1,051,804
Exchequer Bills paid off		2,300	76,200
Treasury Bills ditto		1,639,000	—
Surplus Income applied to reduce Debt		—	—
		30,489,761	28,510,581
Balances on July 21, 1877 :—			
Bank of England		874,942	1,067,361
Bank of Ireland		662,304	611,815

BANK OF FRANCE.

735

DEBITOR.

	June 28.		July 5.		July 12.		July 19.	
	F.	C.	F.	C.	F.	C.	F.	C.
Capital of the Bank ...	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0
Profits in addition to Capital (Art. 8, Law of June 9, 1867) ...	8,002,318	54	8,002,318	54	8,002,318	54	8,002,318	54
Reserve of the Bank and its branches ...	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14
Reserve of landed property ...	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Special Reserve ...	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Notes in circulation ...	2,429,191,400	0	2,452,164,840	0	2,446,893,235	0	2,446,369,705	0
Bank-notes to order and receipts payable at sight ...	47,992,984	20	49,495,953	29	51,111,750	63	52,221,898	14
Treasury account current, creditor ...	99,505,951	25	102,795,761	84	104,139,146	89	130,532,517	8
Current accounts, Paris Do., branch banks ...	638,320,943	43	558,986,855	19	613,038,479	62	463,402,505	15
Dividends payable ...	42,234,953	0	39,481,900	0	42,568,993	0	40,834,699	0
Interest on securities transferred or deposited ...	10,668,636	83	8,691,729	0	5,582,692	0	4,063,128	0
Discounts and sundry interests ...	2,764,006	85	11,260,203	91	7,147,007	85	5,854,424	15
Re-discounted the last six months ...	221,687	91	512,360	90	683,587	32	1,020,944	44
Bills not disposable ...	1,271,342	96	1,271,342	96	1,271,342	96	1,271,342	96
Reserve for eventual losses on prolonged bills ...	2,277,191	54	1,766,049	3	1,639,360	16	2,060,322	41
Sundries ...	6,897,164	82	6,897,164	82	6,897,164	82	6,897,164	82
	13,696,605	99	14,046,175	51	14,807,239	20	14,010,539	47
Total ...	3,513,615,934	47	3,478,977,800	15	3,424,287,963	15	3,397,147,298	32

CREDITOR.

	June 28.		July 5.		July 12.		July 19.	
	F.	C.	F.	C.	F.	C.	F.	C.
Cash in hand and in branch banks ...	2,274,545,679	8	2,263,746,411	69	2,318,468,775	43	2,204,776,209	11
Commercial bills overdue ...	145,021	91	140,945	60	75,697	84	125,893	74
Commercial bills discounted, not yet due ...	199,795,927	38	194,365,698	11	178,797,318	6	173,024,780	94
Treasury bonds ...	338,845,000	0	338,845,000	0	338,845,000	0	338,845,000	0
Commercial bills, branch banks ...	272,207,081	0	259,974,878	0	262,131,391	0	253,754,905	0
Advances on deposits of bullion ...	11,012,400	0	12,464,500	0	12,658,900	0	12,840,900	0
Do. in branch banks ...	4,913,500	0	4,969,900	0	5,338,200	0	5,086,600	0
Do. in French public securities ...	35,015,200	0	35,094,400	0	34,755,200	0	34,691,000	0
Do. by branch banks ...	26,639,150	0	26,978,950	0	26,875,250	0	26,449,050	0
Do. on railway shares and debentures ...	20,308,200	0	20,545,900	0	20,516,900	0	20,408,500	0
Do. by branch banks ...	16,823,300	0	16,223,400	0	16,324,500	0	16,322,300	0
Do. on Crédit Foncier bonds ...	1,512,400	0	1,508,700	0	1,547,900	0	1,545,900	0
Do. branches ...	951,300	0	901,100	0	904,000	0	845,200	0
Do. to the State (Convention June 10, 1867) ...	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0
Government stock reserve ...	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14
Do. disposable ...	82,007,823	79	82,007,823	79	81,968,823	79	81,968,823	79
Rentes Immobilières (Law of June 9, 1867) ...	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
Hotel and furniture of the Bank, and landed property of branches ...	9,140,909	0	9,136,029	0	9,126,213	0	9,151,639	0
Expenses of management ...	290,751	16	769,065	61	856,339	69	1,042,148	50
Employ of the Special Reserve ...	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Sundries ...	35,424,541	6	31,279,448	21	30,167,004	20	32,261,698	10
Total ...	3,513,615,934	47	3,478,977,800	15	3,424,287,963	15	3,397,147,298	32

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1877. June 27.	1877. July 4.	1877. July 11.	1877. July 18.
	£	£	£	£
Notes issued	40,910,475	41,076,865	41,746,945	41,776,435
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion	26,910,475	28,076,865	26,746,945	26,776,435
Silver Bullion				
	40,910,475	41,076,865	41,746,945	41,776,435

BANKING DEPARTMENT.

	1877. June 27.	1877. July 4.	1877. July 11.	1877. July 18.
	£	£	£	£
Proprietors' capita	14,553,000	14,553,000	14,553,000	14,553,000
Reserve	3,044,301	3,130,988	3,206,049	3,337,587
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts)... ..	8,780,469	5,727,684	3,761,325	5,351,334
Other deposits	20,937,739	24,994,681	26,371,323	24,632,345
Seven day and other bills	241,753	284,179	309,559	306,575
	47,557,263	48,592,532	48,290,555	48,170,241
Government Securities	15,214,859	14,989,321	16,099,038	15,699,038
Other Securities	15,610,050	20,429,301	18,289,870	18,249,551
Notes... ..	12,916,430	12,302,635	13,976,485	13,176,345
Gold and Silver coin	915,923	871,475	932,313	883,257
	47,557,263	48,592,532	48,290,555	48,170,241

THE EXCHANGES.

	June 29.	July 6.	July 13.	July 20.
Amsterdam, short	12 2½	12 2½	12 2½	12 2½
Ditto 3 months	12 4½	12 4½	12 4	12 4
Rotterdam, ditto	12 4½	12 4½	12 4	12 4
Antwerp and Brussels, ditto	25 42½	25 40	25 40	25 37½
Paris, short	25 2½	25 25	25 25	25 25
Ditto 3 months	25 3½	25 35	25 3½	25 35
Marseilles, ditto	25 3½	25 3½	25 3½	25 35
Hamburg, ditto	20 68	20 67	20 64	20 63
Berlin, ditto	20 68	20 67	20 64	20 63
Leipsic, ditto	20 68	20 67	20 64	20 63
Frankfort-on-the-Main, ditto	20 68	20 67	20 64	20 63
Petersburgh, ditto	25	24½	24	24½
Copenhagen, ditto	18 60	18 60	18 60	18 60
Vienna, ditto	12 87½	12 82½	12 90	12 75
Trieste, ditto	12 87½	12 85	12 90	12 75
Zurich and Basle, ditto	25 45	25 42½	25 42½	25 40
Madrid, ditto	47½	47	47½	47½
Cadiz, ditto	47½	47½	47½	48
Seville, ditto	47½	47½	47½	48
Barcelona, ditto	47½	47½	47½	47½
Malaga, ditto	47½	47½	47½	47½
Granada, ditto	47½	47½	47½	47½
Santander, ditto	47½	47½	47½	48
Bilboa, ditto	47½	47½	47½	48
Zaragoza, ditto	47½	47½	47½	47½
Genoa, Milan, Leghorn, ditto	28 02½	28 15	28 27½	28 05
Venice, ditto	28 02½	28 15	28 27½	28 05
Naples, ditto	28 02½	28 15	28 27½	28 05
Palermo and Messina, ditto	28 02½	28 15	28 27½	28 04
Lisbon, 90 days	52	51½	51½	51½
Oporto, ditto	52	51½	51½	51½
Rio Janeiro, 60 days	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 6	3 17 9	3 17 9½	3 17 10
Mexican Dollars	0 4 6½	0 4 6½	0 4 6½	0 4 6½
Silver in Bars (Standard)	0 0 0	0 4 5½	0 4 6	0 4 6½

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
"	207 Private Banks	5,153,407
"	72 Joint Stock Banks	3,495,446
Scotland—	12 Joint Stock Banks	3,087,309
Ireland—	6 Joint Stock Banks	6,354,494

£32,090,556

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£475,000
1861—July 10th	175,000
1866—Feb. 21st	850,000

1,000,000£33,090,556

Deduct Lapsed Issues—

England—	*89 Private Banks, ...	£1,393,692
"	20 Joint Stock Banks	907,895

Scotland— 1 Joint Stock Bank, combining two issues,
namely:—

Ayrshire Bank	£53,656
Western Bank of Scotland	284,282

887,9682,639,525£30,451,081

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
"	*112 Private Banks	3,759,715
"	52 Joint Stock Banks	2,587,551
Scotland—	†11 Joint Stock Banks	2,749,371
Ireland—	6 Joint Stock Banks	6,354,494

£30,451,081*NOTE.—The number of Private Banks authorized to issue their own notes
in England, by the Act of 1844, was

207

Diminished in number by amalgamation

6

Lapsed Issues

89

95112NOTE.—The Bristol Bank (Sir W. Miles & Co.) have now ceased to issue their own notes
in consequence of their amalgamation with the firm of Messrs. Cave, Ballie & Co.† The number of Banks authorized to issue their own notes in Scotland, by
the Act of 1845, was

19

Diminished in number by amalgamation

6

Lapsed Issues, as stated above

2

11

ENGLISH FUNDS.

	Price on July 24.	Highest.	Lowest	Price on June 26.
Consols	94½	94½	94½	94½
Exchequer Bills	18/ pm.	18/ pm.	8/ pm.	8/ p.m.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ised Issue.	AVERAGE AMOUNT.			
		June 16.	June 23.	June 30.	July 7.
	£	£	£	£	£
1 Ashford Bank	11,849	10,245	10,083	9,818	10,814
2 Aylesbury Old Bank	48,461	19,607	18,866	18,926	20,009
3 Baldock and Biggleswade Bank	37,223	15,058	14,311	13,756	13,593
4 Barnstaple Bank	17,182	3,104	3,219	3,440	3,467
5 Bedford Bank	34,218	25,118	24,865	25,204	25,884
6 Bicester and Oxfordshire Bank.....	27,090	18,306	18,356	12,893	13,562
7 Boston Bank—Garfit and Co.	75,069	60,830	60,556	50,444	49,384
8 Broseley and Bridgnorth Bank.....	26,717	11,490	11,271	11,174	10,966
9 Buckingham Bank	29,657	16,168	16,353	16,155	17,099
10 Bury and Suffolk Bank	82,362	33,557	32,989	33,950	33,421
11 Banbury Bank	48,467	19,695	19,611	19,343	19,385
12 Banbury Old Bank	55,163	20,217	19,969	19,776	18,674
13 Bedfordshire Leighton Buzzard Bk..	36,829	28,892	29,162	29,557	30,166
14 Brecon Old Bank	68,271	30,610	29,661	29,309	28,577
15 Brighton Union Bank	33,794	20,212	20,410	20,825	20,915
16 Burlington and Driffield Bank	12,745	11,611	10,676	10,649	11,345
17 Bury St. Edmunds Bank	3,201	1,687	1,532	1,570	1,790
18 Cambridge Bank—Mortlock & Co. ...	25,744	13,874	14,381	14,591	14,838
19 Cambridge and Cambridgeshire Bank	49,916	41,177	40,235	40,511	40,660
20 Canterbury Bank	33,671	16,533	16,374	17,127	20,061
21 Colchester Bank	25,082	10,502	10,456	10,739	11,788
22 Colchester and Essex Bank	48,704	24,130	23,602	23,335	24,322
23 Cornish Bank	49,869	23,255	22,674	22,790	23,373
24 City Bank, Exeter	21,527	11,923	11,612	12,345	12,852
25 Craven Bank—Birkbeck and Co.	77,154	71,164	71,259	72,127	72,487
26 Derby Bank—Messrs. Evans and Co.	13,332	9,536	9,608		
27 Derby Bank—Smith and Co.	41,304	22,564	23,140	22,231	25,075
28 Derby Old Bank	27,237	24,898	23,422		
29 Devises and Wiltshire Bank	20,674	4,710	4,583	4,521	4,322
30 Darlington Bank	86,218	77,428	79,107	82,657	81,530
31 Devonport Bank	10,664	8,780	8,970	4,180	4,221
32 Dorchester Old Bank	48,907	32,725	32,240	32,165	32,797
33 East Cornwall Bank	112,280	78,488	80,953	83,960	86,288
34 East Riding Bank	53,392	46,939	49,299	50,448	53,179
35 Essex Bk. and Bishop's Stortford Bk.	69,637	32,979	33,110	34,064	35,488
36 Exeter Bank	37,894	15,374	14,576	14,572	16,095
37 Farnham Bank	14,202	5,137	5,083	5,147	5,428
38 Faversham Bank	6,681	4,430	4,259	4,121	4,714
39 Godalming Bank	6,322	6,302	6,131	5,865	5,630
40 Guildford Bank	14,524	10,465	10,181	9,845	10,500
41 Grantham Bank—Hardy and Co.	30,372	14,953	14,881	14,581	15,061
42 Hull and Kingston-upon-Hull Bank..	19,979	17,680	16,144	16,205	18,924
43 Huntingdon Town and County Bank	56,591	16,751	15,937	15,690	16,114
44 Harwich Bank	5,778	4,207	4,135	4,282	4,296
45 Hartfordshire, Hitchin Bank	38,764	32,786	32,636	32,766	31,927
46 Ipswich Bank	21,901	14,908	14,733	15,050	15,181
47 Ipswich and Needham Market Bank ..	80,699	41,237	40,252	41,186	42,712
48 Kentish Bank—Mercers and Co.	19,895	14,200	13,799	13,966	14,752
49 Kingston and Radnorshire Bank	26,050	17,156	16,886	16,458	15,489
50 Knaresborough Old Bank	21,825	18,962	18,437	18,115	18,296
51 Kendal Bank	44,663	40,627	40,950	40,481	41,307
52 Leeds Bank	180,757	115,001	115,093	115,045	119,167

WEEKLY RETURNS OF BANKS OF ISSUE.

739

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		June 16.	June 23.	June 30.	July 7.
	£	£	£	£	£
53 Leeds Union Bank	37,459	37,080	36,985	37,123	36,845
54 Leicester Bank	32,322	24,489	23,704	24,294	25,179
55 Lewes Old Bank	44,886	17,623	18,206	18,902	19,050
56 Lincoln Bank	100,342	85,480	84,947	84,863	87,873
57 Llandoverly Bank and Llandilo Bank	32,945	16,387	17,774	18,866	17,257
58 Loughborough Bank	7,359	7,064	7,413	7,522	7,083
59 Lymington Bank	5,088	2,121	2,143	2,100	2,244
60 Lynn Regis and Lincolnshire Bank..	42,817	22,710	22,067	23,454	22,984
61 Lynn Regis and Norfolk Bank	13,917	8,075	8,268	8,188	8,070
62 Macclesfield Bank	15,760	8,278	8,025	8,032	8,760
63 Miners' Bank	18,688	12,262	12,095	12,765	13,065
64 Monmouth Old Bank	16,885	1,471	1,574	1,620	1,587
65 Newark Bank	28,788	5,955	6,864	6,271	5,907
66 Newark and Sleaford Bank	51,615	34,836	34,154	33,789	34,101
67 Newbury Bank	36,787	10,583	10,305	10,253	10,736
68 Newmarket Bank	23,098	14,035	13,420	13,888	13,411
69 Norwich and Norfolk Bank	105,519	75,165	76,195	76,145	78,523
70 Naval Bank, Plymouth	27,321	19,798	20,168	20,782	24,150
71 New Sarum Bank—Pinckney Bros...	15,659	3,192	3,052	3,197	3,615
72 Nottingham Bank	31,047	29,274	29,595	30,146	30,551
73 Oswestry Bank	18,471	7,999	7,506	7,445	7,238
74 Oxford Old Bank	34,391	29,487	30,145	30,308	30,210
75 Old Bank, Tonbridge	13,183	10,168	10,027	9,908	10,751
76 Oxfordshire Witney Bank	11,862	6,280	7,568	7,375	6,470
77 Pease's Old Bank, Hull	48,807	48,155	48,175	47,659	49,975
78 Penzance Bank	11,405	7,202	7,904	8,593	9,409
79 Reading Bank—Simonds and Co.....	37,519	20,715	20,051	20,446	21,543
80 Reading Bk.—Stephens, Blandy & Co.	43,271	23,746	24,881	25,440	25,644
81 Richmond Bank, Yorkshire	6,889	6,655	6,714	6,687	6,380
82 Royston Bank	16,393	6,909	7,125	7,185	7,505
83 Rye Bank	29,864	7,877	7,894	8,010	8,104
84 Saffron Walden and North Essex Bk.	47,646	17,539	17,582	17,553	18,043
85 Salop Bank	22,338	8,403	3,510	3,522	3,649
86 Scarborough Old Bank	24,818	23,580	23,520	23,711	24,300
87 Shrewsbury Old Bank	43,191	20,342	20,578	21,597	22,563
88 Sittingbourne and Milton Bank	4,789	1,134	1,049	1,230	1,180
89 Southampton Town and County Bank	25,359	7,250	7,186	7,589	8,595
90 Stamford and Rutland Bank	31,858	9,956	10,167	10,236	10,963
91 Shrewsbury and Welchpool Bank....	25,386	18,123	18,198	17,710	16,902
92 Tavistock Bank	13,421	10,808	10,579	10,853	10,523
93 Thornbury Bank	10,026	6,160	6,033	6,982	6,920
94 Tiverton and Devonshire Bank	18,470	5,467	5,148	5,224	5,375
95 Thrapstone and Kettering Bank	11,559	8,432	8,232	8,649	8,733
96 Tring Bank and Chesham Bank	13,531	12,593	12,179	12,080	12,375
97 Towcester Old Bank	10,801	5,443	5,386	5,029	5,163
98 Union Bank, Cornwall	17,003	4,256	4,060	4,187	4,046
99 Uxbridge Old Bank	25,186	5,239	5,321	5,513	5,565
100 Wallingford Bank	17,064	8,218	8,145	8,010	8,270
101 Warwick and Warwickshire Bank ..	30,504	21,740	22,301	23,116	23,197
102 Wellington Somerset Bank	6,528	2,765	2,990	3,558	3,946
103 West Riding Bank	46,158	37,923	39,172	38,608	38,467
104 Whitby Old Bank	14,258	11,451	11,452	11,220	11,332
105 Winchester, Alresford and Alton Bk.	25,892	7,689	7,562	7,553	8,110
106 Weymouth Old Bank	13,461	10,710	10,734	10,590	11,523
107 Wisbech and Lincolnshire Bank	59,713	27,660	27,377	23,017	27,525
108 Wivellscombe Bank	7,602	1,343	1,320	1,455	1,443
109 Worcester Old Bank	87,448	39,658	37,214	37,840	40,085
110 Yarmouth and Suffolk Bank	53,060	34,125	34,049	34,616	34,375
111 Yarmouth, Norfolk, and Suffolk Bank	13,229	8,959	8,723	8,869	9,086
112 York Bank	46,387	32,096	31,096	30,433	31,184

JOINT STOCK BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		June 16.	June 23.	June 30.	July 7.
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	11,223	11,132	10,741	10,600
2 Barnsley Banking Company.....	9,563	8,311	8,505	8,019	8,226
3 Bradford Banking Company	49,292	46,832	45,420	44,660	44,862
4 Bank of Whitehaven	32,681	26,026	24,801	25,192	26,326
5 Bradford Commercial Banking Co. ..	20,084	18,904	19,487	20,420	19,978
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	43,002	41,615	41,755	42,142
7 Chesterfield & N. Derbyshire Bk. Co..	10,421	8,833	8,768	9,036	9,566
8 Cumberland Union Banking Co.....	35,395	31,774	31,730	32,770	33,781
9 Coventry and Warwickshire Bk. Co..	28,734	13,198	13,594	14,682	14,965
10 Coventry Union Banking Company ..	16,251	13,220	13,857	14,050	14,382
11 County of Gloucester Banking Co.....	144,352	81,695	81,400	81,654	85,115
12 Carlisle and Cumberland Banking Co.	25,610	21,867	22,353	21,765	22,373
13 Carlisle City and District Bank	19,972	19,949	19,363	20,070	20,387
14 County of Stafford Bank	9,418	6,599	6,393	6,612	7,115
15 Derby and Derbyshire Banking Co. ..	20,093	18,776	18,500	19,546	17,320
16 Darlington District Joint Stock Bk. Co.	26,134	24,455	24,822	25,885	25,710
17 Gloucestershire Banking Company	155,920	130,592	131,305	131,705	134,282
18 Halifax Joint Stock Bank.....	18,534	16,411	18,709	19,033	17,846
19 Huddersfield Banking Company.....	37,354	34,250	33,950	32,923	33,361
20 Hull Banking Company	29,333	28,031	28,339	29,417	30,239
21 Halifax Commercial Banking Co.	13,733	10,305	9,841	10,442	10,819
22 Halifax and Huddersfield Union Bank	44,137	30,242	30,640	29,604	30,868
23 Knaresborough and Claro Banking Co.	28,059	26,533	25,755	26,325	26,190
24 Lancaster Banking Company	64,311	55,677	54,372	53,894	54,838
25 Leicestershire Banking Company	36,060	38,399	56,700	60,158	64,161
26 Lincoln and Lindsey Banking Co.....	51,620	41,724	43,515	44,835	45,063
27 Leamington Priors and Warwickshire Banking Company	13,875	11,230	10,762	10,515	11,320
28 Ludlow and Tenbury Bank	10,215	9,215	9,418	10,473	10,335
29 Moore and Robinson's Notts. Bkg. Co.	35,813	34,053	35,971	34,574	33,926
30 Nottingham and Notts. Banking Co..	29,477	28,723	28,230	27,915	27,302
31 Northamptonshire Union Bank	34,356	60,874	59,928	58,638	58,031
32 Northamptonshire Banking Company	26,401	16,635	16,563	17,113	16,910
33 North and South Wales Bank.....	63,951	56,280	57,826	60,337	58,862
34 Pares's Leicestershire Banking Co. ..	59,300	48,450	49,493	51,084	52,134
35 Sheffield Banking Company	35,843	26,945	26,170	27,197	27,750
36 Stamford, Spalding & Boston Bk. Co.	55,721	43,700	43,625	43,481	43,322
37 Stuckey's Banking Company	356,976	283,706	289,185	289,864	298,355
38 Stourbridge & Kidderminster Bkg. Co.	56,830	42,798	43,001	43,102	45,404
39 Sheffield and Hallamshire Bkg. Co. ..	23,524	12,543	22,228	21,480	22,884
40 Sheffield & Rotherham Joint Stock Bk.	52,496	47,960	44,941	46,639	48,198
41 Swaledale and Wensleydale Bkg. Co. ..	54,372	51,691	50,697	50,597	49,274
42 Wolverhampton and Staffordshire Bk.	35,378	15,935	15,359	15,675	17,325
43 Wakefield and Barnsley Union Bank..	14,604	13,543	13,290	13,212	13,070
44 Whitehaven Joint Stock Bkg. Co.	31,916	26,152	25,296	25,185	26,535
45 West of Eng. & S. Wales District Bk.	33,535	72,247	71,343	71,460	70,739
46 Wilts and Dorset Banking Company..	76,162	69,810	67,605	70,237	73,771
47 West Riding Union Banking Company	34,029	32,820	33,350	33,265	33,307
48 Whitchurch and Ellesmere Bk. Co. ..	7,475	3,966	3,576	3,379	3,552
49 Worcester City and County Bk. Co. ..	6,848	1,625	1,783	2,208	1,608
50 York Union Banking Co.....	71,240	66,434	66,539	67,836	67,034
51 York City and County Banking Co. ..	94,695	87,185	88,426	90,535	91,357
52 Yorkshire Banking Company	122,582	117,450	116,550	116,215	118,064

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 7th July, 1877.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland	3,788,428	1,888,050	1,144,950	3,038,000	522,163
Provincial Bank of Ireland	927,667	469,798	376,647	846,445	379,807
Belfast Bank	281,611	200,943	273,450	474,393	303,452
Northern Bank	213,440	219,998	276,654	496,652	365,088
Ulster Bank	311,079	394,726	354,610	749,337	574,923
The National Bank	852,269	883,807	533,636	1,467,443	832,029
TOTALS (Irish Banks)	6,854,494	4,057,322	3,009,947	7,067,270	2,977,457

SCOTCH BANKS.

Bank of Scotland	343,418	226,009	480,796	706,805	485,158
Royal Bank of Scotland	216,451	265,223	481,177	749,400	657,983
British Linen Company	438,024	176,229	386,926	563,155	206,395
Commercial Bank of Scotland..	374,880	242,280	558,457	800,737	561,504
National Bank of Scotland	297,024	196,192	432,139	628,332	421,167
Union Bank of Scotland	454,346	269,541	525,758	795,299	469,070
Aberdeen Town & County Bank	70,133	108,690	122,933	231,623	189,946
North of Scotland Banking Co.	154,319	178,777	182,657	361,434	245,334
Clydesdale Banking Company..	274,321	200,752	358,075	558,827	359,201
City of Glasgow Bank	72,921	227,308	419,498	646,807	638,740
Caledonian Banking Company ..	53,434	45,295	85,672	130,967	96,789
TOTALS (Scotch Banks)	2,749,271	2,186,296	4,037,088	6,173,886	4,331,282

SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS ENDING JULY 7th, 1877.

	Fixed Issues.	June 16.	June 23.	June 30.	July 7.
	£	£	£	£	£
112 Private Banks	3,759,715	2,277,745	2,269,190	2,257,840	2,309,394
52 Joint-Stock Banks	2,587,551	2,125,813	2,116,021	2,187,560	2,172,754
164 Totals	6,347,266	4,403,558	4,385,141	4,394,900	4,482,148

Average Weekly Circulation of these Banks for the month ending July 7, 1877:—

Private Banks	£2,278,400
Joint-Stock Banks	2,187,912

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,416,312

On comparing these amounts with the Returns for the month ending June 9th last, they show:—

A decrease in the notes of Private Banks, of	£95,205
A decrease in the notes of Joint-Stock Banks, of	75,327

Total decrease on the month £170,532

And, as compared with the month ending July 8th, 1876:—

A decrease in the notes of Private Banks, of	£92,838
A decrease in the notes of Joint-Stock Banks, of	58,651

Total decrease as compared with the same period of last year £151,489

The following is the comparative state of the circulation as regards the fixed issues:—

The Private Banks are below their fixed issues	£1,481,815
The Joint-Stock Banks are below their fixed issues	449,639

Total below their fixed issues £1,990,954

SUMMARY OF IRISH AND SCOTCH RETURNS TO JULY 7th, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

Average Circulation of the Irish Banks	£7,067,270
Average Circulation of the Scotch Banks	6,173,886

Total Average Circulation of these Banks for the past month £13,240,656

On comparing these amounts with the Returns for the month ending 9th June last, they show—

Decrease in the Circulation of Irish Banks	£205,020
Decrease in the Circulation of Scotch Banks	693,743

Total decrease on the month.. .. . £898,763

And as compared with the month ending July 7th, 1876, they show—

Increase in the Circulation of Irish Banks	£19,655
Increase in the Circulation of Scotch Banks	21,869

Total increase as compared with the same period of last year £41,524

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	..	26,854,494
11 Banks in Scotland, allowed to issue	..	..	..	..	..	2,749,271
17 Banks in all, allowed to issue	..	..	..	..	..	29,108,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	..	2712,776
Scotch Banks are above their fixed issue	..	..	..	..	..	8,424,115

Total above the fixed issue	..	..	..	..	..	24,186,891
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	..	22,977,457
Gold and Silver held by the Scotch Banks	..	..	..	..	..	4,831,282

Total of Gold and Silver Coin	..	..	..	..	..	27,808,739
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Being a decrease of £152,894 on the part of the Irish Banks, and an increase of £524,244 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO JULY 7th, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	July 7.	June 9.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 4th July)	27,976,064	28,133,667	..	157,583
Private Banks	2,278,400	2,378,606	..	95,206
Joint-Stock Banks	2,137,912	2,213,289	..	75,227
Total in England	32,392,396	32,720,511	..	328,115
Scotland	6,173,386	6,867,129	..	693,743
Ireland	7,067,270	7,272,290	..	205,020
United Kingdom	45,633,052	46,859,930	..	1,226,878

The comparison of the month ending July 8th, 1876, with the month ending July 7th, 1877, shows an increase in the Bank of England circulation of £406,612, a decrease in Private Banks of £92,838, and a decrease in Joint-Stock Banks of £58,651, being a total increase in England of £255,123, while in Scotland there is an increase of £21,869; and in Ireland an increase of £19,655. Thus showing that the month ending the 7th July, as compared with the same period last year, presents an increase of £255,123 in England, and an increase of £296,647 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending July 4th gives an average amount in both departments of £26,538,004. On a comparison of this with the Return for the previous month, there appears to be an increase of £1,517,417; and a decrease of £2,993,180 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending July 7th, was £7,308,739; being a decrease of £676,638, as compared with the Return of the previous month, and a decrease of £96,961, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	11
Feb. Aug.	6 "	25	Alliance, Limited	10	
Jan. July	" "	200d.	Anglo-Austrian	190d.	
Mar. Sep.	10 p. ct.	30	Anglo-Californian, Limited	10	
May Nov.	" "	20	Anglo-Egyptian Banking, Limited	all	
April Oct.	4 p. ct.	20	Anglo-Foreign Banking, Limited	10	
" "	" "	100d.	Anglo-Hungarian	all	
Feb. Aug.	5 "	20	Anglo-Italian, 1868, Limited	10	
Mar. Sep.	12½ "	40	Bank of Australasia	all	80½
April Oct.	7½ "	20	Bank of British Columbia	all	
" "	7½ "	20	Ditto New, issued at £2 pm.	10	
Jan. July	6 "	10	Bank of Constantinople	6	
Feb. Aug.	10 "	25	Bank of Egypt	all	
" "	12 "	Stk.	Bank of Ireland	100	
Jun. Dec.	5 "	20	Bank of Roumania	8	3½
Jan. July	10 "	25	Bank of South Australia	all	
April Oct.	12 "	50	Bank of Victoria, Australia	25	
May Nov.	15 "	10	Bank of New Zealand	all	24½
" "	5 "	50	British North American	all	
Feb. Aug.	8 "	10	Central of London, Limited	5	
April Oct.	6 "	20	Chartered of India, Australia, and China	all	21½
" "	8 "	25	Chartered Merc. of India, London and China	all	
Jan. July	10 "	20	City	10	15½
" "	14 "	100	Colonial	30	
April Oct.	5 "	6	Commercial Bank of Alexandria, Limited	3	2½
Jan. July	10 "	10	Consolidated, Limited	4	
April Oct.	4½ "	25	Delhi and London, Limited	all	
May Nov.	10 "	20	English Bank of Rio de Janeiro, Limited	10	12½
Feb. Aug.	8 "	20	English, Scottish, and Australian Chartered	all	27
" "	" "	20	Franco-Egyptian, issued at 5 pm.	10	
Mar. Sep.	6 "	28½	Hong Kong and Shanghai Bank Corporation	all	32½
Jan. July	6 "	50	Imperial, Limited	15	17
" "	" "	20	Imperial Ottoman	10	3½
April Oct.	8 "	25	Ionian	all	
" "	8 "	25	Ditto, New	10	
May Nov.	2½ "	30	Land Mortgage Bank of India, Limited	5	2
Jan. July	5 p. ct.	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	
Mar. Sep.	" "	30	London Bank of Mexico & South America, Lim.	20	7½
" "	6 "	30	Ditto, New	10	
Jun. Dec.	8 "	20	London Chartered of Australia	all	23½
Feb. Aug.	16 "	50	London and County	20	63
Jan. July	15 "	50	London Joint Stock	15	46½
Feb. Aug.	12½ "	10	London and Provincial, Limited	5	12½
Jun. ec.	5 "	100	London and River Plate, Limited	40	30
" "	5 "	25	Ditto, New	10	
Mar. Sep.	8 "	10	London and San Francisco, Limited	all	12½
May Nov.	" "	20	London and South African	all	
Feb. Aug.	8 "	100	London and South Western, Limited	20	
" "	14 "	100	London and Westminster	20	63½
April Oct.	10 "	20	Mercantile Bank of the River Plate, Limited	all	
Mar. Sep.	12 "	100	Merchant, Limited	25	
Jan. July	8 "	10	Metropolitan A } B receives no dividend until	all	
" "	" "	10	Ditto B } 10 per ct. has been paid to A {	all	
" "	8 "	10	Ditto, New, A	1½	
Feb. Aug.	8 "	100	Midland, Limited	20	
" "	12 "	50	National	30	
Jun. Dec.	12½ "	5	National of Australasia	4	
Feb. Aug.	6/13¼ p. ct.	25	National of Liverpool, Limited	15	
Jan. July	6 "	10	National of New Zealand, Limited	3½	
Jun. Dec.	20 "	50	National Provincial of England	21	80½
" "	20 "	20	Ditto, ditto	12	
" "	30 "	20	Ditto, New, 1874, iss. at £10 prem.	10	
April Oct.	6 "	20	New London and Brazilian, Limited	10	
May Nov.	17½ "	20	New South Wales	all	
Feb. Aug.	4/3¼ "	20	North Eastern, Lim., iss. at 2 pm., already paid	6	
Feb. Aug.	8 "	24	North Western	7½	
April Oct.	10 "	25	Oriental Bank Corporation	all	
Jan. July	15 "	100	Provincial of Ireland	25	
" "	15 "	10	Ditto, New	all	
May Nov.	12 "	100	Standard of British South Africa, Limited	25	38
Jan. July	16 "	25	Union of Australia	all	62½
" "	15 "	50	Union of London	15½	41½

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

SEPTEMBER, 1877.

COMMERCIAL LEGISLATION IN THE LAST SESSION.

THE Money Orders Bill which was referred to in our leading article of last month, was dropped by the Government on July 30th, and consequently was withdrawn before the number for August would be placed in the hands of our readers. This magazine has, in order to be delivered at the proper date, to be sent to press a short time before the end of each month; and in consequence it was not possible to notify the withdrawal of a bill—which only disappeared from the notice list of the House of Commons two days before the close of July—in the number for August. Still, though the Government has decided against attempting any action on this point at the present time, they may endeavour to resume the measure during some future session, and, therefore, it is a very desirable thing that a record of the proposed legislation should remain in this magazine in a form easily accessible to the banking community. Though the period which intervened between the first introduction of the bill and its final abandonment by the Government was but short, a great many petitions, principally signed by bankers, were presented to the House of Commons against the bill. And we hope that, should any endeavour be made by the Government to resuscitate the measure, the banking community will again be as vigilant as it was this year, and will show a determined opposition to any bill which proposes, as this bill did, to introduce a currency of small notes, without providing any adequate reserve of gold against such an issue. The fact that the money order business of the Post Office is carried on at a loss to the Government, will naturally lead the Post Office authorities to devise some method

for avoiding this loss. It is to be desired that the Government may endeavour to find out some method of carrying on their business without a loss, by reducing their expenses, without at the same time diminishing the security to the public, as was proposed to be done in the measure of this year.

On the same evening as the Money Orders Bill was withdrawn, the new Bankruptcy Bill was likewise dropped. This was a measure of a very different calibre to the Money Orders Bill. It was a large and very complicated measure, but still it did not appear to us in any degree likely to improve the existing law on the subject. A review of it appeared in the *Bankers' Magazine* for June, and our chief reason for desiring that it should not pass into law was the fact that it did not appear, in any important degree, likely to remove the objectionable points in the present system. Any amendment in a law which does not effect a real improvement, is much to be deprecated. It stops the way against future improvements, by the mere fact that an alteration has been made, and hence it is certainly far better that the bill of this session should have been withdrawn, than that it should have been proceeded with further. The results of the working of the present Act are well known—unfortunately only too well known—to every man of business in the country in detail. The general facts and their very unsatisfactory character are shown in the report of the Comptroller of Bankruptcy. An analysis of the report of that official for 1875 appeared in the *Bankers' Magazine* for July. Since that date the report of the Comptroller of Bankruptcy for 1876 has been issued, but instead of exhibiting any improvement in the working of the previous year, it shows even more unsatisfactory results. We quote from the closing sentences in the report for 1876 the following remarks made by the Comptroller in Bankruptcy:—

“As in each former report, I have again to call attention to the great increase in number, and decrease in value, of compositions paid to creditors under section 126 of the Act.

“The numbers, increasing steadily year by year, have grown from 1,613 in the year 1870 to 3,287 in the year 1876, and the increase has been entirely in the lower rates; the number of compositions over 10s. in the pound having decreased from 176, or 11 per cent., to 159, or 4 $\frac{3}{4}$ per cent., while the number at the lowest rate of all, viz., not exceeding 1s. and averaging a few pence in the pound, has increased by annual increments from 76 to 739.”

This statement contains in itself a strong condemnation of the existing bankruptcy law. Issued as it is by an official of

nigh standing its impartiality is beyond doubt. And certainly the system, the results of which it chronicles, is not one which it appears desirable to perpetuate and to continue. It is very desirable that the attention of bankers, and of men of business generally, should be directed to the subject during the recess. There is hardly any class of business men who have so great an interest in a sound bankruptcy law as bankers. In the case of customers of Banks who may fail while holding advances from their bankers in their possession, such bankers are frequently, we might almost say more usually than otherwise, secured creditors. A proper exercise of caution, such as bankers generally employ in the conduct of their business, has in most cases suggested obtaining suitable security before the evil day arrives. Hence, bankers often do not lose money in the case of the insolvency of their own customers. But the interest of bankers in a sound condition of business is a far wider one than this. It extends to the well being of their customers, and to their prosperity as well. And though it is impossible to ascertain or even to endeavour to form any estimate of what the losses by bad debts annually amount to among the mercantile community, it is certain that it must be an enormous sum. It happens not unfrequently that a banker in the course of a friendly conversation with a customer, if he makes an enquiry as to the progress which that customer has made in the course of the past year, will be met with the reply—"I should have done very well if it had not been for my losses by bad debts"—and on further investigation it often turns out to be the case that a very considerable part of the profits of the twelvemonth have been consumed by losses of this nature. Compositions of little value are offered, which the creditor finds himself practically compelled to agree to under the threat that, if the proposal say of 2s. 6d. in the pound is not accepted, the debtor will avail himself of the alternative of bankruptcy, and the creditor will not receive as many pence as he had been offered shillings. Unfortunately the creditor knows only too well from past experience that this threat may be enforced, and he accepts what he feels to be a very inadequate, even an unfair, offer, rather than imperil the whole of the debt by standing out against the offer of a composition.

No alteration in the bankruptcy law will be of any permanent service which does not aim at endeavouring to raise up a higher tone of commercial standing. The facility with which debtors can evade paying what is justly due from them should be abridged, and some restriction should be put on the easy manner in which a man can recommence trading immediately after having made a composition with his creditors. It may

be desirable in order to effect this to render it impossible for the debtor to escape proceedings in bankruptcy in certain cases, when, for instance, he has been grossly careless in the conduct of his business, or has neglected the first and simplest duties of a trader as to book-keeping. We hope that the fact, that a bankruptcy bill, even with the power of a very able lord chancellor behind it, has been unable for two sessions running to find acceptance with Parliament, may lead to the preparation during the recess of a more careful and better constructed measure than either of those which were brought forward in 1876 and 1877.

Two very useful measures of a class to interest the banking and mercantile community have passed successfully through the ordeal of Parliamentary investigation this session. The first is the Bill to amend the Factors' Acts, which was brought into the House of Commons by Sir John Lubbock, and the successful issue of which is greatly due to his exertions. This Bill was designed to support the mercantile usage which has hitherto prevailed, or was supposed to prevail, with regard to such documents as dock warrants, and which recent decisions have rendered somewhat uncertain. This usage has been to regard warrants as title deeds to property. The great convenience and the desirability of this usage from a mercantile point of view are so obvious, that no remarks on the subject are needed, and we hope that the new Act may clear up all doubts which may have existed as to the perfect negotiability of such documents.

The second measure is the Act to facilitate the transfer of Colonial Stock. The object of this was stated in the *Bankers' Magazine* for March last. It is to enable the bonds of Colonial Governments to be converted into stock and registered as such at the Bank of England. A composition for Stamp duty on very easy terms may be paid by the Colonial Government which proposes to transfer its debt from the form of bonds into stock, and when this is done and the stock has been duly inscribed in the Register at the Bank, the stock will be transferable free of charge for Stamp duty, exactly in the same manner as the stock of the Metropolitan Board of Works has been dealt with. The advantages of such registration are very clear. Those persons who now object to holding Colonial securities because they do not like to place their money in bonds payable to bearer, will be able to make their investments with a greater feeling of safety, and with a certainty that the security itself could not be lost or mislaid. Trustees who now frequently and not unnaturally object to the funds, for the safety of which they are responsible, being placed in a form of security which is almost as readily convertible as a bank-note, will be very likely to be

induced to permit investments being made in a security which can only be transferred out of their hands by their signatures being affixed to a regularly attested power of attorney. It is also expected that this measure will be of service to those Colonial Governments which avail themselves of it, by rendering their funded loans more acceptable to the general mass of investors. It is always a difficult thing to presage how far a measure of this description may be popular among those classes for whose benefit it is intended, but this Act may, if proper use be made of its provisions, prove to be of considerable service to that portion of the community who are interested in investments of this class.

The last session of Parliament has been singularly barren in its results as far as legislation is concerned, but the two Acts which have just been named, and which have passed in the course of it, may serve to redeem it from the charge of having been totally and entirely unfruitful. It is not always those measures whose advent is most loudly heralded to the world that prove in the long run the most lastingly beneficial, and the Act to amend the Factors' Act and the Colonial Stock Transfer Act may turn out to be of more service to the community than many of the measures on which a greater degree of public attention has been bestowed.

INSTITUTE OF BANKERS IN SCOTLAND.

We print the examination papers given below, as they will be of service to those of our readers who have not the opportunity of availing themselves of the classes and facilities of instruction provided in Edinburgh and Glasgow, by supplying them with the means of judging of the standard required.

EXAMINATION PAPER, APRIL, 1877.

Candidates for Admission to Membership.

I.—MODERN LANGUAGES.

1. Translate into English either of the following passages :—

Ce n'est pas sans raison que l'étude des langues a été la base de tous les établissements d'éducation qui ont formé les hommes les plus capables en Europe : le sens d'une phrase dans une langue étrangère est à la fois un problème grammatical et intellectuel ; ce problème est tout à fait proportionné à l'intelligence de l'enfant : d'abord il n'entend que les mots, puis il s'élève jusqu'à la conception de la phrase ; et bientôt après le charme de l'expression, sa force, son harmonie, tout ce qui se trouve enfin dans le langage de l'homme, se fait sentir par degrés à l'enfant qui traduit. Il s'essaie tout seul avec les difficultés que lui présentent deux langues à la fois ; il s'introduit dans les idées successivement, compare et combine divers genres d'analogies et de vraisemblance ; et l'activité spontanée de l'esprit,

la seule qui développe vraiment la faculté de penser, est vivement excitée par cette étude. Le nombre des facultés qu'elle fait mouvoir à la fois lui donne l'avantage sur tout autre travail, et l'on est heureux d'employer la mémoire flexible de l'enfant à retenir un genre de connaissances, sans lequel il serait borné toute sa vie au cercle de sa propre notion, cercle étroit comme tout ce qui est exclusif.

MADAME DE STAËL.

Dein Brief ist so wohl geschrieben, und so gescheit und klug gedacht, dass sich nichts mehr dazu setzen lässt. Du wirst mir aber verzeihen, wenn ich sage, dass man gerade das Gegentheil davon meinen, behaupten und thun, und doch auch Recht haben kann. Deine Art, zu sein und zu denken, geht auf einen unbeschränkten Besitz und auf eine leichte lustige Art zu geniessen hinaus, und ich brauche Dir kaum zu sagen, dass ich daran nichts, was mich reizte, finden kann.

Ein heiterer Tag ist wie ein grauer, wenn wir ihn ungerührt ansehen, und was kann uns rühren, als die stille Hoffnung, dass die angeborene Neigung unsers Herzens nicht ohne Gegenstand bleiben werde? Uns rührt die Erzählung jeder guten That, uns rührt das Anschauen jedes harmonischen Gegenstandes; wir fühlen dabei, dass wir nicht ganz in der Fremde sind, wir wännen einer Heimath näher zu sein, nach der unser Bestes, Innerstes ungeduldig hinstrebt.

GOETHE.

2. Translate into French or German the following letter :—

ELGIN, 24th April, 1877.

SIR,—In reply to your letter of 20th instant, we beg to inform you that Mr. William Macdonald of this place is a respectable man, a dealer in linens, and good for moderate amounts in the ordinary course of his business. Mr. John Thomson, regarding whom you also desire information, does not enjoy such good credit, and we are inclined to recommend caution in dealing with him.

We are, &c.,

II.—GENERAL HISTORY.

1. Describe the origin of the Roman people, and the chief characteristics of the Romans during the earlier period of their history.
2. What was the condition of the Roman Empire and the Roman people at the introduction of Christianity?
3. In what century of the Christian era did Mahomet found his religion, and over what parts of the world did it spread?
4. Over what countries did the Emperor Charles V. reign, and in what battle did he make Francis I. a prisoner?
5. State what the following historical characters are best known for :—
 - a. Peter the Hermit.
 - b. The Cid.
 - c. Hernando Cortes.
6. What was the immediate cause of the Reformation, and what was the occasion on which the Reformers obtained the name of Protestants?

III.—BRITISH HISTORY.

1. Who was Wolsey? Relate what you know of his history.
2. When did James I. succeed to the throne of England, and by what right?
3. Mention the fate of James I., II., III., IV., and V. of Scotland.

4. What was the duration of the Commonwealth and Protectorate in England ?

IV.—BRITISH CONSTITUTION AND GOVERNMENT.

1. What does the Act of Habeas Corpus secure ? by whom can it be suspended, and under what circumstances ?

2. How is the House of Lords made up ?

3. What was the claim which brought Charles I. into collision with his people ?

4. What great liberative measure was carried by the Duke of Wellington and Sir Robert Peel in 1829 ?

V.—ENGLISH LITERATURE.

1. Distinguish between Epic, Ballad, and Lyric Poetry, referring to conspicuous examples of each.

2. Name some of the principal writers of the period of Elizabeth, James I., and the Commonwealth, and describe generally the position of English Literature during that period.

3. Name the two best known Essayists of the time of Queen Anne and George I., and some of the periodicals in which the Essays appeared.

4. Who wrote the following :—

a. The Vision of Don Roderick.

b. The Vision of Mirza.

c. History of the Rise of Rationalism in Europe.

d. Cloister Life of the Emperor Charles V.

e. Queen Mab.

f. The Eve of St. Agnes.

VI.—PRINCIPLES OF POLITICAL ECONOMY.

1. What are the three requisites of the Production of Wealth ?

2. Define Wealth and Money.

3. State the disadvantage of a double standard of value, as regards monetary contracts.

4. How is the average rate of Wages determined ?

VII.—HISTORY AND PRINCIPLES OF BANKING AND CURRENCY.

1. Mention, shortly, some of the benefits derived by a community from a well-regulated system of Banking.

2. In what kind of district would you say that Banking is likely to be carried on with least risk, and why ?

3. Mention some of the points that a prudent Banker will never lose sight of in making advances.

4. Seeing that the wealth and trade of the country have greatly increased since the last Joint Stock Bank was established in Scotland, what would you assign as reasons why no new Banks have been founded in the interval ?

5. What do you think has led to the absorption of so many, comparatively, of the smaller Scotch Banks by their larger neighbours ?

6. When was Sir Robert Peel's Act for Scotland passed, and how did it affect the Issues ?

7. Have these Issues been increased or diminished since the passing of the Act ?

8. When was the first Joint Stock Bank established in the United Kingdom?

VIII.—STOCKS AND STOCK EXCHANGE TRANSACTIONS.

1. Against what documents is a loan on Stock usually made?
2. What rate of interest is generally charged for three months' loans?
3. How is a transfer of Stock carried out?
4. What means have been devised to prevent undue "bearing" of Bank Stocks?

IX.—THEORY AND PRACTICE OF THE FOREIGN EXCHANGES.

1. Give an explanation of the phrases "Par of Exchange" and "Course of Exchange."
2. What is the meaning of the term "favourable exchanges" as employed by mercantile men?
3. What is the difference between a bill drawn on New York at "exchange as endorsed in London," and one drawn "payable at the current rate of exchange in London when due?"
4. What is the value of a franc in American money when the exchange is at £110 for 444 dollars 44 cents, and between England and France at 24 francs 87 c. per pound sterling?

X.—PRINCIPLES OF SCOTCH LAW AND CONVEYANCING.

1. Is it essential that instrumentary witnesses should see the person whose subscription they attest, subscribe the Deed, and that they should subscribe in presence of him and of each other?
2. What are the ages (1) of pupillarity, (2) of puberty or minority, and (3) of majority, and what differences result from them in point of legal capacity?
3. What is the effect of personal obligations or bills granted by a married woman?
4. What is a sufficient title to warrant a Bank to pay over to the representatives of a deceased person funds in their hands which belonged to the deceased?
5. How may formal deeds be executed by a person who cannot write?
6. If a person die intestate, survived by a widow and children (both sons and daughters), and having both heritable and movable estate:—what are the respective rights of widow and children in his estate?

XI.—MERCANTILE LAW.

1. What is the effect of the discharge of a debtor, without the consent of the cautioner, upon the cautioner's obligation.
2. What is the effect of a change in the partners of a company, consisting of two or more, upon a cautionary obligation previously undertaken for the company?
3. What is necessary to complete the lender's right in the contract of pledge?
4. Is a guarantee for the debts or obligations of a third party, granted by a partner of a mercantile company in the firm's name, effectual against the company or the individual partners who did not authorise it?

XII.—LAW OF BILLS, CHEQUES, AND RECEIPTS.

1. Enumerate the essentials of bills.
2. Can a bill be stamped after being signed?

3. Within what period must the protest of a bill be registered in order to obtain a warrant for summary diligence?

4. If the protest be not registered within such period, how is the sum in the bill to be recovered?

5. How may bills be preserved from the operation of the sexennial prescription?

6. Does a Banker incur responsibility by paying a cheque drawn payable to order (1) if, being endorsed per procuration, the person so endorsing should turn out to have no authority, or (2) if, bearing to be endorsed by the payee, the endorsement should be forged?

7. What is the effect of the words "not negotiable" written upon a cheque?

8. A deposit receipt being granted to a husband and wife payable to either of them or the survivor:—is the Banker bound, upon the death of the husband, to pay the whole sum in the receipt to the surviving wife, without any other title than the receipt being produced to him?

XIII.—BANKRUPTCY LAW.

1. Who may apply (with the necessary concurrence) for sequestration of their estates in Scotland? Is it necessary that the applicants be insolvent, or bankrupt, or what is necessary?

2. From what date does a Mercantile Sequestration take effect?

3. State generally what are the respective duties of the Trustee and Commissioners in a sequestration.

4. Are debtors, who, in ignorance of their creditor's estates being sequestered, pay him after his sequestration, liable to pay again to the Trustee?

5. A Bank discounts to C a bill for £1,000, drawn by A upon B, and endorsed by A to C; A, B, and C become bankrupt during its currency, C having £100 at credit of his account, and £500 of securities lodged against his obligations; for what amounts would the Bank rank on the three estates?

6. What is the effect of payments by a bankrupt to creditors, or agreements to grant them preferences, to secure their concurrence in his discharge, (1) as against the bankrupt, and (2) as against such creditors?

EXAMINATION PAPER, APRIL, 1877.

Candidates for Admission as Associates.

I.—ARITHMETIC AND VULGAR AND DECIMAL FRACTIONS.

1. Find the least number which when divided by 20, 16, 25, and 28, gives in every case the remainder 13.

2. Find the value of $\frac{3\frac{1}{2} + \frac{1}{2} \text{ of } 7\frac{1}{2} - \frac{1}{2}}{2\frac{1}{2} + 3\frac{1}{2}}$.

3. Reduce ($\frac{3}{5}$ of $11\cdot8 - \frac{1}{5}$ of $11\cdot02$) $\div$ $\cdot 01$ to a decimal.

4. What number multiplied by $39\cdot39$ will give $310\cdot31442$?

5. Express $\cdot 625$ of 17s. 6d. $\div$ $\cdot 125$ of 16s. — $\frac{1}{2}$ of £1 as a decimal fraction of £5.

6. When the oz. of gold costs £3·89, what is the cost of $\cdot 04$ lb. (Troy weight)?

7. When the 3 per cents were at 90, I found that by selling out and investing in Indian 4 per cents at 95 I could improve my income by £24. 6s. What was the amount of my stock in the three per cents?

8. The receipts of a railway company are apportioned in the following manner: 48 per cent. for the working expenses, 10 per cent. for the reserve fund, a guaranteed dividend of 5 per cent. on one-fifth of the capital, and the remainder, £48,000, for division amongst the holders of the rest of the stock, being a dividend at the rate of 4 per cent. per annum. Find the capital and the receipts.

II.—ALGEBRA.

1. Divide $x^3 - 2ax^2 + (a^3 - ab - b^3)x + a^2b + ab^2$ by $x^2 - (a - b)x - ab$.
2. Prove that $(a + b + c)^2 - (a^2 + b^2 + c^2) = a(b + c) + b(a + c) + c(a + b)$.
3. Find a number which when multiplied by 4 becomes as much above 30 as it is now below it.
4. Solve the following equation,

$$\frac{3x + 5}{7} - \frac{2x + 7}{3} + 10 - \frac{3x}{5} = 0.$$

5. A person paid a bill of £3. 14s. with shillings and half-crowns, and gave 41 pieces of money altogether. How many of each were paid?
6. A man puts out £2,000 in two investments. For the first he gets 5 per cent., for the second 4 per cent. on the sum invested, and by the first investment he has an income of £10 more than on the second. Find how much he invests in each case.

III.—GEOGRAPHY AND PHYSICAL GEOGRAPHY.

1. Write down in their order the names of those counties which touch Perthshire.
2. Write the names of as many of the United States as you remember, dividing them into Northern, Southern, and Western States.
3. Name in their order the counties, with the principal towns on the seaboard, which would be passed by a vessel sailing from Leith round the north of Scotland to Greenock?
4. Draw an outline map of the continent of Europe.
5. How many seasons have the torrid and frigid zones respectively, and what is the character of each?
6. In what part of the globe are the tides greatest, and why?

IV.—ENGLISH COMPOSITION.

1. Give a short account of the rise and progress of the Reformation in Scotland, its date, its principal leaders, and some of its effects on the history of the country.
2. Write a letter addressed to the manager of one of the banks, applying for a situation for your brother, who has finished his education.
3. Transpose into English prose the following verses:—

“ Full many a gem of purest ray serene
The dark unfathomed caves of ocean bear;
Full many a flower is born to blush unseen,
And waste its sweetness on the desert air.

“ Some village Hampden that with dauntless breast,
The little tyrant of his fields withstood,
Some mute inglorious Milton here may rest,
Some Cromwell guiltless of his country's blood.”

4. Write out in correctly punctuated sentences the following passage :—
Education would be a mere useless torture if at two or three and twenty a man who had neglected his studies were exactly on a par with a man who had applied himself to them exactly as likely to perform all the offices of public life with credit to himself and with advantage to society whether the english system of education be good or bad is not now the question perhaps i may think too much time is given to the ancient languages and to the abstract sciences but what then whatever be the languages whatever be the sciences which it is in any age or country the fashion to teach the persons who become the greatest proficient in those languages and those sciences will generally be the flower of the youth the most industrious the most ambitious of honourable distinctions.

V.—BOOK-KEEPING AND BANK BOOKS.

1. Give short explanation of book-keeping by single entry.
2. Give short explanation of book-keeping by double entry.
3. Explain "closing entries."
4. Submit a specimen of Balance Account.
5. Specify the principal books in use in Scotch Banks.
6. Submit specimen of a Branch ordinary letter to Head Office.
7. How are Branch transactions exhibited to Head Office.
8. Give specimen of a Quarterly Report on Cash Credit Accounts at a Branch Office.

VI.—EXCHANGE AND CLEARING HOUSE.

1. State the object of the Saturday afternoon Exchange of Notes in Scotland.
2. Describe the stages by which the balances in the country towns are finally settled in London.
3. State the advantages of the Clearing House system.
4. Describe the stages by which a cheque on the Royal Bank, Glasgow, cashed by the Bank of Scotland there, on Thursday, at two o'clock, and refused payment of by the Royal Bank, ought to be negotiated through the Clearing House and returned, in accordance with the Rules. State also how the cheque would be treated if drawn on one of the Glasgow Town Branches of the Royal Bank.

VII.—NOTE CIRCULATION.

1. What statesman carried through Parliament the Act which now regulates the Note Circulation of the Banks in Scotland, and in what year did it become law?
2. How was the authorized issue of the Scotch Banks fixed by the said Act, what does the law require as regards excess above that amount, and what check is employed to ensure that this is fulfilled?
3. What may be considered the most striking point of difference between the restraints laid upon the Scotch and English Banks in regard to their issues?

VIII.—INTEREST AND CHARGES.

1. On what class of deposits do the Banks allow a higher rate of interest than that allowed on ordinary deposits? State the rule.

2. On what class of deposits are the banks compelled by law to allow compound interest?
3. State the rule to be followed in settling the rate at which a bill ought to be discounted, when a doubt arises whether, from its currency, it falls within the three months' or the four months' scale.
4. Calculate the discount on a bill for £3,700, dated the 31st December, 1876, at two months' date, at 4 per cent. per annum, from the 10th January to the day of maturity.
5. State what demand documents on places in Scotland and England respectively, may be cashed free of charge.
6. State the rates of charge on the following classes of Drafts issued:—
 1. On places in Scotland.
 2. On London.
 3. On English Provincial towns.
 4. On Irish towns.
7. State the usual rate for retiring bills in London, and the Graduated Scale for large accounts in which such transactions occur.
8. What commission is chargeable on a bill for £2,000, drawn on Wick and discounted at Leith? State the rule.

IX.—NEGOTIATION OF BILLS AND CHEQUES.

1. If a Bill be presented for acceptance and acceptance refused, is it necessary to present it again at maturity for payment, and, if so, why?
2. What delay is the drawee of a Bill entitled to, to determine whether he shall accept or not?
3. On what Bills are no days of grace allowed?
4. When are Bills payable which mature on statutory Bank Holidays?
5. Is verbal notice of the dishonour of a Bill sufficient, or must it be in writing?
6. If the drawer of a Cheque die, after issuing it, but before it is presented, is the Banker bound to pay it, if he have funds?
7. If an unstamped Cheque be presented to a Banker, is he entitled to affix a stamp to it, and if he do so, what is the effect as regards the drawer's liability in the statutory penalty?
8. If the drawer of a Cheque, made payable to "myself or order," present it himself, is it necessary that he endorse it?

X.—HISTORY AND PRESENT POSITION OF BANKING IN SCOTLAND.

1. Was the right of Issue conferred by Statute, or how did it originate?
2. When was the last Joint Stock Bank established in Scotland?
3. How many and which Banks have ceased to exist in Scotland since 1855?
4. Which of them have been amalgamated?
5. State, approximately, the total capital of the existing Scotch Banks, and the total of the Reserve Funds?
6. Is the capital fully paid up?
7. Which of the Scotch Banks have not opened offices in London?
8. How many of the Scotch Banks are incorporated by Royal Charter?

THE GILBART LECTURES ON BANKING.

DELIVERED AT KING'S COLLEGE, LONDON (SESSION 1877),
 BY PROFESSOR LEONE LEVI, F.S.A., F.S.S., of Lincoln's Inn,
 Barrister-at-Law, Doctor of Political Economy.

LECTURE IV.

THE RELATION OF THE BALANCE OF TRADE TO THE FOREIGN EXCHANGES.

"In studying any phenomena," said Professor Maxwell, in his general considerations respecting scientific apparatus, "the first difficulty we meet with, after we have determined the field of observation, is the presence of agents and phenomena not included within the same field, which are, in effect, disturbing agents; and if we wish to arrive at sound conclusions, we must so arrange, that the effects of these disturbing agents on the phenomena to be investigated shall be as small as possible. It may be desirable to change the field of our investigation, and include within it those phenomena which in our former investigation we regarded as disturbances; in which case the experiments must be designed so as to bring into prominence the very phenomena which we formerly tried to get rid of, and when we have, in this way, ascertained the laws of the disturbances, we may be better able to make a thorough investigation of what we began by regarding as the principal phenomena." So, in the use of statistics, relating to any branch of research, whether social or economic, it is not enough to collect facts, and see that they are absolutely reliable, but we must be sure to eliminate from the class of facts under consideration every disturbing element. It might seem easy to form tables of deaths with a view to deduce the probability of life and health, but there are disturbing influences which must be taken into account, in the nature of the habits of life, the kind of employment, immigration or emigration, ignorance or misstatement of age, local epidemics, &c., which may be sources of error. Compare the West End and the East End of London, and you may expect a much greater mortality in the latter than in the former, from the larger population in proportion to area, and other circumstances of an economic character. But let an hospital be erected and attract sufferers from all parts of the country into the West End, and this disturbing element will vitiate all comparison and all calculation. When engaging on any inquiry of an economic character, be sure, therefore, to eliminate every disturbing element in the shape of other causes which may aggravate or

neutralize the effect of the principal cause, the subject-matter of your inquiry.

Of all economic phenomena, those of the foreign exchanges are, perhaps, the most difficult of investigation, for they are the symptoms of the condition of international indebtedness as resulting from a variety of causes acting and re-acting upon one another, sometime of an aggravating and sometime of a neutralising character. Putting aside for the present all questions of the currencies, and limiting our observations to the effect of the balance of trade, see how gigantic and marvellous are the operations of trade itself. Who, indeed, can contemplate the wise distribution of the produce of the earth, and the variety of skill and industries of its multitudinous inhabitants, without being led to the conviction that it was the glorious design of Providence to constitute the whole human race one vast family, and one entire commonwealth, supplying each other's wants, and administering to each other's comforts. Think of the meteorological peculiarities of different countries, and of the physical and geological properties of different states in the earth. Think of the difference among men in taste, capacity for labour, genius, and manners. See how external circumstances act directly on the industrial and intellectual faculties of a nation. How the sturdy English labourer is the creature of the hard task which England imposes upon her children; how the daring mariner is the necessary result of a life spent amidst the unconquerable elements of air and water; and how the graceful and skilful Frenchman is just a child of *La Belle France*, where nature and art conspire in training the eye, the hand, and the mind for all that is elegant and beautiful. And so we trade one with another, and enormous quantities of produce and articles of art and industry are constantly set in motion from one part of the world to another. Happily, most of us precisely require what others can give us, and are the possessors of what others want, and so we barter. We get silk and wine from France, and we send in return cotton and iron. We want tea and silk from China, and we send her in return cotton goods and hardware. And valued as such goods are by the common denominators and standard of value, gold and silver, we have the numerical value of all such transactions in so many million pounds sterling imported, and as many million pounds exported, to and from every part of the earth. Now, of this international trade England takes a great share, and therefore the statistics of British commerce are apt to teach lessons of immense value. And what do they tell us respecting the balance of trade and the foreign exchanges?

The annual statement of the trade of the United Kingdom is

a big quarto volume, but its contents are of wonderful importance, for commerce is a mighty interest in Britain. For many years past, a fact of considerable economic meaning has been revealed by our statistics of trade. It is, that the yearly value of imports of foreign and colonial merchandise into the United Kingdom is in excess, by many millions, of the total yearly value of the exports of produce and manufacture from the United Kingdom, leaving every year an enormous amount apparently due to foreign countries. In the year 1875, the total imports amounted to £373,940,000. In that year there were re-exported of foreign and colonial merchandise £58,146,000, leaving £315,794,000 as the amount for which England became indebted to foreign countries. In that same year, however, England exported £223,466,000 worth of British produce and manufacture, for which foreign countries became her debtors, leaving an excess to be accounted for of £92,328,000. Nay, more, add bullion in gold and silver imported, £33,000,000, and exported, £27,628,000, and the balance would appear to be £98,000,000 in a single year. Does England owe this large amount? It cannot be said that the year 1875 was an exceptional year, for, on the contrary, there was nothing extraordinary in that year, except, indeed, a notable increase of the same phenomena. Taking the whole period from 1854, when the real value of imports was first obtained, to 1876, the excess of imports over exports has been on an average of £54,000,000. What is the meaning of this fact? Is it that England is fast going to ruin, as some are apt to interpret, or is it itself a most satisfactory evidence of the increasing wealth of the country. How far the statistics of trade, published by the Board of Customs, are absolutely reliable, it is difficult to say. Doubtless true as the facts are as a whole, it must yet be remembered, that the totals are arrived at from entries made by importers and shippers, often in a very loose manner. Before 1854, the value of imports was given in official values, or by reference to a certain tariff of prices, supposed to represent the values of the various articles in 1699; true value indeed at the time when first introduced, but altogether fallacious as a basis of the value of goods in subsequent times. From 1854, the value of imports was calculated upon the average prices of goods imported, as ascertained by brokers or by the Chambers of Commerce. But in 1871, that system was discarded for the present one, of trusting completely on the value entered by the merchants themselves. As for the exports, from the commencement of this century we have always had the value as entered by exporters at the custom house. So that in fact, both for imports and exports, we have, after all, by no means

a very reliable system in all its details, but only an approximate estimate though as close, perhaps, as can be obtained, considering the immensity of the operations thereby recorded. Supposing, however, it be actually true that England is ordinarily receiving much more than she gives, is it not the fact that England has invested enormous sums in public undertakings all over the world; that she has lent money to many nations, and that every year a good contingent of many millions has to come back in the shape of profits, interest, and annuities. If so, what wonder if a large portion of what is thus due should come over to this country in the shape of bullion or of merchandise.

The statistics of trade of foreign countries are not so correct as we might desire, and we must examine them very closely before we can attempt to form any conclusion whatever respecting their meaning. Still, there are facts of moment full of interest. Russia, in 1873, is stated to have imported in merchandise and bullion £68,000,000, and exported £57,000,000. The year was not an exceptional one, for in the five years from 1869-73, there has been always a constant excess of imports over exports. If the accounts are reliable she would seem to make a good bargain with her grain, tallow, and other produce. But are we to attach much faith in Russian statistics of trade? What she imports and exports through her seaports may be well ascertained. But she has an immense, almost boundless, land frontier, far beyond the close supervision of the Central Government. Who can say to what extent trade is carried on to and from distant territories which do not enter into such statistics? It should be remembered, in the appreciation of Russian statistics of trade, that the national debt of Russia is nearly all held abroad, and that, therefore, she must send out yearly funds for interest on the same; nor does she hold to any extent stocks or securities of any other nation. Holland imported £55,000,000 worth of merchandise and bullion, and exported £43,000,000. But Holland is a rich country. Her wealth is largely invested in foreign stocks; she receives a good revenue from her Eastern territories, and her ships earn good freight. France would show an excess of exports over imports in merchandise, the amounts in 1873 having been £140,000,000 imports, and £148,000,000 exports; but the relation is reversed when bullion is added, of which she imported £38,000,000, and exported £6,000,000. The United States' statistics show an excess of exports over imports, a clear evidence of her altered economic condition. In 1873 they imported £115,000,000 worth of merchandise, and exported £119,000,000. Add to this the imports and exports of bullion, and the excess of export amounted to

£12,000,000. India is a study of itself. During the last ten years, from 1865-6 to 1874-5, her excess of exports over imports of merchandise amounted to £116,000,000, or at the rate of £11,600,000 per annum, the reason of the excess being that she has large payments to make, in England especially, for borrowed capital for expenses of administration in England, for interest on money expended in the construction of her railways, for salaries and pensions of officers of the government on leave and retired. And she pays these various items by shipments of cotton, indigo, rice, jute, spices, shawls, silk, &c. As for the statistics of trade of Germany, they are wholly mistrusted by the Germans themselves, on account of the imperfection of registration and control at the custom houses, the largely suspected clandestine and smuggling trade, and the erroneous valuation of goods made in the different parts of the empire and on a different basis, whilst in some parts of Germany no account has been taken of articles coming or going free of duty.

The statistics of trade of the United Kingdom have an advantage over those of inland countries in the fact, that, as all must come and go by sea, nothing is allowed to escape the vigilance of the customs. Not so in inland countries. How is it possible, for instance, to control the traffic of railways so as to take a proper register of goods carried by them, either to or from the country, or in transitu. They escape, and thus they vitiate the statistics prepared with the most possible care, to a very large extent. Not all the goods shipped, moreover, do arrive at the port of destination. They may be wrecked and lost, and, if so, nothing can be expected in return, no debt has been contracted for them, and their value is probably recovered from the underwriters at home. Then there is the enormous difference of value between the place of departure and the place of destination. Goods exported are declared at their value here, taking no account whatever of charges, freight, insurance, and commission. Goods imported are declared at their value also here, but comprising freight, charges, insurance, profits, and commission. The item of freight alone increases the apparent costs of imports by 10 to 12 per cent., the total amount of freight having been calculated by Mr. Stephen Bourne at £35,000,000 per annum. And who is it that receives the freight? To a large extent the British shipowners. Look, moreover, at the question of profits, and see how that item operates in swelling the amount of the imports over that of the exports. Suppose you ship a cargo of iron from England to the United States of America, of the declared value in this country of £2,000. By the time that iron reaches New York, its value is increased by 10 per cent. charges and 30 per cent. duties, making its cost there £2,800. Allow 15 per cent.

profits, and it will bring to the importer £3,200. This amount is converted into cotton. Upon it there are again 10 per cent. charges, and when it arrives in England its value is declared at £3,500; and so the accounts will stand for this one transaction, exported £2,000, imported £3,500. Does it reveal a loss? The freight outward was probably gained by a British shipowner. The profits themselves were probably earned by the British merchants. The duties on iron were certainly paid by the American consumer. In truth, it would be extremely difficult to say whether any or what proportion of the imports really constitute a debt to foreign countries. Nor can we take the accounts of trade, for any one year, as an indication of the real balance of trade, for the accounts of different countries do not refer to the same year, and time is an element in the action of trade upon mutual debts. Our imports this month, in 1877, will figure in the exports of China and India for 1876, and so forth. Doubtless, if we take a number of years instead of any isolated year, we are more likely to arrive at a perfect equilibrium; but again it should be remembered that trade is not the only element in international indebtedness. Where a country, like Austria, is laden with debt, towards other nations, or one, like Russia, is making havoc with her currency, or one, like England, becomes entitled to interests from large investments abroad, the balance of trade can never approach to an equilibrium. Independently, however, of these calculations, which go so far to lessen the value of the statistics of trade, or which give to the balance of imports and exports much less economic weight than they would appear to be entitled to the phenomena in question, have an essential value deserving of special attention.

Unhappily, the very meaning or tendency of what is called an adverse or favourable balance has been misinterpreted. In the opinion of many eminent writers on economic subjects, before the publication of the great work of Adam Smith, which dispelled the illusion, the balance was favourable when the exports exceeded the imports, and unfavourable when the imports exceeded the exports. But why? Simply, because in the opinion of such writers, it was ruinous to a state to pay the excess in gold and silver. The whole structure of the mercantile system was built in order to encourage as much as possible our exports in order to make foreign nations our debtors, and to discourage as much as possible our imports in order to limit our indebtedness for the sole purpose of getting into the country as much gold and silver as possible, and by all means to hinder the departure of the precious metals. They did not regard gold and silver as common merchandise. They attached to them a special, almost magic,

value. They did not think that the exports are paid back to us by the imports, and that just as private individuals are anxious to obtain as much as they can for what they give, so a nation ought to be too glad to get as good a return as possible for her exports. Has England become poorer and poorer by the excess of her imports over exports? Common experience tells us, that she was never richer than she is now, after very many years of this wrongly assumed exhaustive process. But the best way for ascertaining whether the excess of imports into the United Kingdom is advantageous or not, in a financial aspect, is to look to the foreign exchanges. If England did really owe the excess as a real debt, would there not be a constant excess of Bills on England in the foreign markets, and would not the exchange be consequently permanently against England? How is it, then, that the exchanges are generally in her favour? How is it that the British sovereign holds its own so well against the money of all other countries? It is not easy, indeed, to establish the immediate connection between the balance of trade and the foreign exchange. In the case of Russia, the imports would seem to exceed the exports, and the exchanges are decidedly against her; but that is due to the depreciation of the rouble, which is simply a paper currency with forced circulation. The case of Austria is the same. There, too, of late years the imports have exceeded the exports, but that is due wholly to the disturbed and ruinous condition of Austrian finances.

Some are ready to decry free trade as the cause of the derangement of the exchanges, by the encouragement it gives to imports. There is a great difference, however, in the nature of the imports. The importation of grain to supply the want of a deficient harvest, which has impoverished the people, is, at best, only a remedy for a great calamity. But the importation of raw materials, for the purpose of putting into activity the industries and manufactures of the country; the importation of articles of food to provide and supplement the resources of the nation, otherwise in a condition of prosperity; the importation of manufactured goods to meet the demands of increasing wealth, are not in themselves injurious. The importation like this enriches the country and gives her the more command over the industries of other states. Take, again, the case of Japan; there, too, the balance of trade shows a great excess of imports over exports, and the exchange on London is very prejudicial to Japan. But there are other causes at work to create this, such as the large quantity of silver coin in circulation, and the depreciated value of silver, which with a system practically a double standard acts upon her coinage, besides the drain of gold made on her resources by the payments of her

foreign agents. As it is, her gold went out of the country at the very time when silver became depreciated at home.

It is but seldom that the effect of an unfavourable balance of trade appears in a very direct manner to affect the exchange. This, however, occurred in 1846-47, on the occasion of the failure of the potato crop in England, which necessitated a very large importation of foreign grain from the United States of America and Russia. What happened then? Suddenly and unexpectedly as the demand of grain increased from England, a larger amount of bills than usual on England was thrown into the Exchange at New York market. Those bills being plentiful, they fell in price to such an extent that British importers found it more advantageous to send gold than to allow their agents at New York to draw any more bills. At New York the exchange at 106 $\frac{3}{8}$ was held at par. And so long as you could negotiate bills at an exchange at or over that rate, it was better to draw on London at sixty days' sight than to send gold. But in March, 1847, the exchange fell to 104, and consequently all drawing of bills ceased, and large amount of gold was shipped from England. Soon after matters mended, and with decreased exports of breadstuffs bills became less plentiful at New York, and their price rose so much that by October in the same year the exchange rose to 109 $\frac{1}{2}$, and at that price it was actually convenient to send sovereigns from New York to London. The balance due to America was thus more than liquidated, and it was no longer profitable in England to send thither gold. Nay, the contrary became actually the case, and gold came back. More difficult, however, than the operation of an excessive import or export of merchandise, is the operation of an excessive import or export of capital in any form. Does it make any difference whether the imports or exports consist of bullion or of merchandise? England bound herself to establish railways in India involving an expenditure of £12,000,000 a year. That capital would not return to England, except in the shape of an annuity; therefore the transaction produced a transfer of capital, and its effect on the exchanges was the same just as if so much grain or bullion had been sent. On the occasion of the Crimean war England sent large quantities of gunpowder, ammunition, and clothing, and if other circumstances could have been eliminated, such exports would have shown their adverse influence on the exchange in the same manner as if we had sent bullion; for you may be sure of this, that the exchange will reflect the operations of payments, unless their influence is counteracted by other circumstances. Whenever a low rate of interest in England encourages the investment of capital abroad, or a high rate of

interest attracts capital to this country, in what form it goes or comes the operation is sure to affect the exchanges.

The extreme niceties of the operations of exchange may be seen by what is taking place in the transport of bullion, old or new coin, from England to France, and *vice versâ*. When a demand of bullion manifests itself for export, it may either be got from the importers themselves at 1s. 8d. per ounce advance on the price of gold in 77s. 9d., or from the notes of the Bank of England at the price of 77s. 10½d. per ounce, or by the purchase of new or current coins. In the same manner a demand for gold in France may be met either by a purchase of market bullion from the importers at the tariff rate of 3·437 fine per kilogramme 1,000 fine, or from the Bank of France at a small premium, or by the purchase of new or current coin. Now, the difference in the state of exchange between England and France is so fine as to be influenced not only by the great causes of the balance of trade, currencies, &c., but even by the kind of gold or bullion sent from London to Paris, or *vice versâ*. And Mr. Ernest Seyd tells us, that taking the mint par of exchange between England and France at 25·2215 francs per £1, a difference of 5·96 centimes would render it worth while for London to ship market bullion to Paris, a difference of 10·01 to ship Bank bullion, a difference of 12·94 London would send new sovereigns to Paris, and a difference of 18·60 London would send current sovereigns to Paris. On the contrary, when the exchange turns in favour of England, a difference of 9·25 would bring market bullion to London, of 13·08 would bring Bank bullion, of 16·05 Paris would send new Napoleons to London, and with a difference of 22·35 Paris would send current coin. Thus, in order to obtain bullion from France, we require rather more than three centimes in the turn of the exchange in our favour than the French, and this arises from the different method of dealing with the importer.

In dealing with the exchanges we must remember that we must make very fine and minute analyses. First, there is the difference between a bill at sight or "short," and a bill at usance at thirty or sixty days' sight, the latter embracing the elements of interest and insurance for risk. Next, as between countries using gold and silver, as between England and India, care must be taken to remove, or to take account of, the disturbance caused by the variation in the price of silver, a fact of great importance in relation to the recent depreciation of silver. The effect of such depreciation on the Indian exchange, as shown before the Committee of the House of Commons on Bills drawn by the Secretary of State for India, was as follows:—Between 1863 and 1867 the average rate was 1s. 11½d. to 1s. 11¾d. per rupee. From 1867–8 to 1873–74 the rate was

1s. 10½d. In 1875-76 it fell to 1s. 9½d. Then in May, 1876, to 1s. 8½d, and in July, 1876, to 1s. 6½d. Since then, the price of silver having somewhat recovered, the exchanges have also risen. It is well to remember also that the exchanges between any two countries may be affected by the intervention of a third in the settlement of international indebtedness. If France should owe money to England, it would be the same were she to pay direct, or were she to pay any debt due in Holland by England, but by so doing the Holland exchange would appear affected, whilst the indebtedness would cease with both. Again, in dealing with the exchanges with China, India, or Japan, it may be necessary not to limit our observation to any one of those countries, but to take the whole East as against the whole West, remembering that the indebtedness of America to India and China is settled by drafts on England.

And care must be taken to observe, whether the phenomena of a rise or fall in the exchanges arise from a permanent or from a temporary cause; for, as Mr. John Stuart Mill said, if the balance due is of small amount, and is the consequence of some merely casual disturbance in the ordinary course of trade, it is soon liquidated in commodities, and the account adjusted by means of bills without the transmission of bullion. If, on the other hand, the excess arises from a permanent cause, then what disturbed the equilibrium must have been the state of prices, and it can only be restored by acting upon prices, or, in other words, by so reducing the circulation that it shall abate the cause from which the disturbance proceeded. A diminution of accommodation, or, what is tantamount, a rise in the rate of interest, tends both to discourage the imports from low prices and decreasing demand, and to encourage the exports from the low prices consequent on the diminished orders. One more word, and I have done. The title, "Foreign Exchanges," unhappily does not express the nature of the operations, which are included in the subject before us. The French word "*change*," from the Latin "*cambium*," whence "*cambist*," again expresses more the act of money changing than the economic meaning of the mode of effecting foreign payments. What is usually meant by foreign exchanges, is that branch of trade which arises from the necessity of making foreign payments, as well as the condition or the price at which bills or other effects and securities on other countries may be purchased or sold. Well instructed on the economic value of commerce, coinage, and bills of exchange, and with a moderate familiarity with arithmetic, the study of the principal causes by which the foreign exchanges are affected may be easily ascertained, but if you have difficulties in eliminating the various elements of disturbance, take care to

keep your eyes fixed on the primary phenomena you wish to investigate, and you will find that what may prove a source of error in limited observation, will greatly lessen in intensity as your observations are deeper and more extended.

Banking and Commercial Law.

AN action against the Hampshire and North Wilts Banking Company which was lately disposed of at the Gloucestershire Summer Assizes, should be a lesson to bankers who are disposed to take those things for granted, which will not hold water in a Court of Justice. The facts are as follows :—A Miss Smith, an unmarried lady, living at Wantage, and residing there with her brother, sued the bank to recover the possession of certain bonds or their value. The brother had an account with the bank at Swindon. The plaintiff's father died in 1852, leaving £1,000 to be divided between her and her sister and brother, and the latter borrowed the sisters' shares, giving them bonds. The plaintiff's bond was lodged at the bank, as she alleged, for safety, when her brother became involved, and his effects were sold by the bank. When she wanted the bond to prove against the estate she was told the bond was lodged as security for her brother. This was the defence, but the jury found for plaintiff, damages £400, to be reduced to a nominal sum on the bond being returned. It seems clear that the bank (defendant) considered that they had sufficient authority to treat the plaintiff's bonds as charged with her brother's overdue account, or they would not have defended the action. The only safe course would have been to take a memorandum in writing from the plaintiff in the terms required, assuming of course that the plaintiff desired so far to befriend her relative.

RIGHTS OF AGENT AGAINST THIRD PARTIES.

AN agent, *quid* agent, is not entitled to sue third parties upon contracts which they have entered into with them. In certain cases, however, such a right exists, as, for instance, where the agent has a special property in the subject-matter of the contract, or where he is the ostensible principal.

This right of the agent was recognised in *Solomons v. Bank of England* (13 East, 135, a), decided in 1791, though in that case the agent failed in his action, but upon other grounds. A Bank of England note for £500 had been fraudulently obtained by some person unknown. On its being presented for payment some time afterwards by an agent for a foreign principal, information was

given of the fraud, and the principal was desired to inform the bank how he came by it. The only account he could give of it was that he had received it in payment of goods from a man whose address he described, but of whom he knew nothing. It was also proved that bank notes of so large a value were not usually circulated in the foreign country in question. The court held that this was sufficient evidence to be left to a jury of the principal's privity to the original fraud, in an action of trover brought by his agent to recover it from the bank, which had detained it under the authority of the original owner, to whom it properly belonged. It was further held that the question was not altered by the agent who received it on account having, after notice, made payment for his principal, which payment turned the balance in favour of the agent.

Bankers agreed to allow their customer W. to overdraw his account to the extent of £1,800, upon his brother, father, and the bank manager becoming sureties for him to that amount. W.'s over-draft exceeded £2,400, and the bankers repeatedly pressed him to reduce his account within the limits of their security. Subsequently the manager, at an interview with W., who said "he was fast," pressed him to square his account, whereupon he handed to the manager £2,460 in cheques and bills, against which he had drawn largely. The same evening the manager wrote to W. that the bank would not honour any more of his cheques. W. filed a liquidation petition within a week after this interview, and the creditors having resolved upon liquidation by arrangement, the trustee claimed repayment of the £2,460, upon the ground that the delivery of the cheques and bills constituted a fraudulent preference and an act of bankruptcy. Held, in the absence of evidence to show that the payment was made with a view to release the sureties, or otherwise than in the ordinary course of a current account, the general lien of the bankers attached for their benefit; and that the payment was neither a fraudulent preference within the sect. 92, nor an act of bankruptcy within sect. 6 of the Bankruptcy Act: (*Ex parte Carlisle Banking Company; Re Walton.*)

ROLLS COURT, DUBLIN.

THE MERCHANT BANKING CO. OF LONDON v. MESSRS. SPOTTEN AND CO.

*Question as to validity of a lien resting upon an unregistered deed—
Held that lien was good and valid.*

THE Master of the Rolls delivered an elaborate judgment in this case, which was argued last term. The plaintiffs had filed their bill on the 23rd February, 1876, against Messrs. Spotten and Co., of Belfast, who had been adjudicated bankrupts, against their trade and official assignees, and against the members of another firm trading as Barklie and Co., who were not adjudicated bankrupt. It was filed to enforce a lien in respect of certain linens, value for at least £22,000, at the bleach greens of Messrs. Barklie and Co.,

at Mullaghmore. It appeared that previous to the year 1874, Messrs. Spotten, Thomas Barklie, and Robert Fenn Carter carried on business as manufacturers of linen goods. In the course of their business they were in the habit of sending large parcels of linens in a raw or unfinished state to the bleach greens at Mullaghmore. In November, 1874, Mr. James Warnock joined the firm of Barklie and Co., without any change being made in the title of the firm. The Merchant Banking Company of London were in the habit of making cash advances to Spotten and Co., and these advances were made on the invoice of goods sent to be bleached at Barklie and Co.'s, each distinct advance being indicated by a particular invoice. That course of dealing continued up to 1874, when it was found inconvenient. It was an arrangement that the charge of the Merchant Bank should attach generally to linens of equal value sent to be bleached, and not attach to any particular parcel of linens specified by invoice. With a view of more effectually carrying out this arrangement, a deed of the 23rd November was entered into, establishing the lien which it was sought by the present bill to enforce. The terms of that deed showed honesty of purpose and *bonâ fide* mercantile dealing. The assignees of Spotten and Co. impeached this deed as a mere pocket instrument, and that it was of no effect, inasmuch as it was not registered under the Bill of Sales Act. It appeared to him (the Master of the Rolls) that the fact of its not being registered did not detract from the *bonâ fide* nature of the deed, but was an additional evidence of the extraordinary confidence which traders at the other side of the Channel seem to repose in merchants in this country. The Master of the Rolls stated the terms of the deed, which specially set out that the lien was to extend to linens sent by Spotten and Co. to be bleached, and not to refer to any particular parcel, but to be a general lien on shifting goods, the maximum value of which was to be £30,000. It provided that in the event of Spotten and Co. being unable to meet their liability, the Merchant Bank were to be at liberty to dispose of the linens affected by the lien. The assignees of Spotten and Co. contended that this deed gave no security, inasmuch as Spotten and Co. were not granting parties in respect of any goods that came into the possession of Barklie and Co. at any future time under the deed. He (the Master of the Rolls) did not concur in that view. He thought the construction of the deed was plain and clear, and that the goods which were the subject of distinct assignment were not merely bound by the lien which the deed created, but that all future goods sent by Spotten and Co. at any future time were equally affected by the lien. Under the authority of the decision in Holroyd and Marshall, Spotten and Co. need not have been assigning parties in respect of any future property. Having regard to the course of dealing, supported by testimony which could not be doubted, he thought that it would be rather a startling proposition to hold that Spotten and Co. could turn round on the Mer-

chant Bank and say, You have lost your lien. Such was not the law, and the lien of the bank stood good. The Master of the Rolls traced the whole history of the bankruptcy proceedings, and the seizure of the goods by the Messenger of the Bankruptcy Court. The interview in Belfast on the 8th of December, 1875, between Mr. Megaw, the agent of the merchant, and Mr. Barklie, was a *novus actus* establishing a special lien which could in no way be affected by the bankruptcy proceeding. Neither did he consider that any question of jurisdiction arose between the two courts. His Lordship entered into a minute analysis of the various bankruptcy statutes applicable to England and Ireland, and said he had come to the conclusion on the true construction of the Irish statute that there was no relation back to presentation of the petition for arrangement, and that the act of bankruptcy in Spotten and Co. was only complete on the 7th of March, 1876, and from that day, and that day alone, the title of the assignees occurred. That was subsequent to the filing of the plaintiff's bill. The filing of the petition was no act of bankruptcy, the act of bankruptcy being only on the dismissal of the petition. He held that the case was not affected by the Bill of Sales Act, and after an exhaustive judgment, decided the plaintiffs were entitled to the relief they sought. He directed an account to be taken of what was due to the plaintiffs by Spotten and Co. at the date of the filing of the bill on foot of their advances and account current. He decreed that the goods in possession of Barklie and Co. were available for the payment of the fund found to be due to the plaintiffs by virtue of their lien. He declared them entitled to have these linens sold for the amount of the debt. The injunction was to go in point of form, costs of the suit to be paid by the assignees of Spotten and Co., and costs of injunction. He declared Messrs. Barklie and Co. entitled to their costs. He directed an account to be taken of the collateral securities held by the plaintiffs, of the payments made to the plaintiffs by Spotten and Co. or any other person who was security in respect of the collateral deeds.

(Before JAMES and MELLISH, L.JJ., and BAGGALLAY, J.A.)

Ex parte MANN; *Re* KATTENGELL.

THIS was an appeal from a decision of Mr. Registrar Spring Rice, sitting as Chief Judge in Bankruptcy.

The facts of the case are as follows:—

Messrs. Mann and Co., of Manchester, had from time to time made advances to Messrs. Kattengell and Campbell, merchants, of London, for the amount of which the latter firm accepted bills of exchange drawn upon them by Mann and Co. And to secure the advances Kattengell and Campbell had from time to time assigned to Mann and Co. various debts owing to them from firms abroad, of

which assignments Mann and Co. had given notice to the firms from whom the assigned debts were due.

On the 29th Oct., 1875, Kattengell and Campbell filed a petition for the liquidation of their affairs by arrangement, under which a trustee was duly appointed.

Mann and Co. discounted the bills of exchange accepted by the debtors as aforesaid, with the Manchester and Salford Banking Company, in whose hands there were at the commencement of the liquidation such bills to the amount of £9,000.

Mann and Co. did not take up these bills, and the banking company proved in the liquidation for the full amount of them.

It was arranged between Mann and Co. and the trustee in the liquidation that the latter should collect the assigned debts, and should hold the proceeds without prejudice to their rights.

The trustee having refused to pay over to Mann and Co. the moneys collected by him in pursuance of this arrangement, unless they would take up the bills in respect of which the banking company had proved, Mann and Co. applied to the court for an order that the trustee should pay over the moneys to them.

The registrar ordered that any balance of the advances made by Mann and Co. to the debtors, beyond the amount of the bills, should be paid to Mann and Co. out of the moneys collected by the trustee, and that the residue of those moneys should be applied by the trustee in discharging the liability of Mann and Co. on the bills.

From this order Mann and Co. appealed.

Counsel for the appellants contended that their clients were entitled to the benefit of the full amount of the banking company's proof, and then to apply the proceeds of the assigned debts in reducing our liability on the bills. The banking company held no security, and therefore their proof is not liable to reduction. If we had collected the debts ourselves the proceeds could not be taken from us, and we are entitled to the proceeds because the trustee collected the debts by an arrangement expressly made without prejudice to our rights.

Lord Justice JAMES said: I think the registrar's order is quite right. Messrs. Mann and Co. have no right to have the money handed over to them while it is quite uncertain whether they will pay the bills or not. There may be something due to them irrespective of the bills, but the registrar's order provides for that, and after that is paid it is quite right that the balance should be applied in discharging their liability upon the bills. We have nothing to do with the consequences of the order.

Lord Justice MELLISH: We cannot, in the absence of the holders of the bills, decide whether the proof upon them ought to be reduced by the value of the security held by Messrs. Mann and Co., and the registrar was right in pronouncing no decision on that point.

The other learned judge concurred.

THE TRANSACTIONS OF THE BANK OF FRANCE FOR 1876.

(Continued from page 667.)

[Amounts in francs are converted in this translation as 25 £1.]

General Meeting of the Shareholders of the Bank of France on January 25th, 1877.

STATEMENT OF THE TRANSACTIONS OF THE BANK OF FRANCE AND OF ITS BRANCHES DURING THE YEAR 1876.

REPORT OF MM. THE CENSORS.

M. Larsonnier, Reporter.

GENTLEMEN,—Our worthy senior member, Mr. Darblay, having been unexpectedly prevented from addressing you, I have the honour to give you an account of those duties, the performance of which you have entrusted to the Censors of the Bank of France during 1876. The analysis of the operations and the statements which have been laid before you by the Governor of the Bank, have touched upon all those points which are the most interesting to you. But little remains for me to say. We have been present according to our duty at every sitting of the general board, and of all the committees. We have there taken part in the discussions connected with the duties of our office, and whenever necessary we have taken the initiative in such propositions as we considered beneficial to your interests and to those of commerce.

We have given careful attention to the usual verifications of the safes of the deposits of shares, to the examination of the commercial paper at Paris and the branches, to the writing on and the issue of notes, to the withdrawal of certain denominations among them, and to the restrictions which were considered necessary in the circulation of others; finally, to the rapidly increasing circulation of gold and silver both in Paris and in the departments. The cancelling and destruction of unserviceable and defective bank notes have taken place in our presence, and we have joined our efforts with those of the general board to hasten on the improvements in their manufacture, which have been adopted in order to place additional difficulties in the way of forgery. The operations for the purpose of enabling the bank to manufacture itself the paper for its own notes are being carried on actively; this will offer a still greater security to the public, which appears to show day by day an increasing preference for our note circulation over gold and silver.

Issue of Notes.

The issue of notes shows a diminution of 287,000 notes in number, but in amount an increase of £3,670,000.

In the year 1876, 7,329,000 notes were issued, representing a sum of £59,760,000, namely:—

779,000	notes of £40 for	..	..	£31,160,000
325,000	„ „ 20 „	..	..	6,500,000
4,825,000	„ „ 4 „	..	..	19,300,000
1,400,000	„ „ 2 „	..	..	2,800,000
7,329,000				£59,760,000

In 1875, 7,616,000 notes were issued for a sum of £56,090,000.

The Transactions of the Bank of France for 1876. 773

Notes cancelled, destroyed and withdrawn from circulation.

Notes have been cancelled, destroyed and withdrawn from circulation on the usual scale during the year 1876. The details of these transactions are as follows :—

Notes Cancelled.

Details of the denomination of the notes.						AMOUNTS.
Notes of the Central Bank.				NOTES.		
Notes for £200						
	40	..	..	378,565	..	£15,142,600
	20	..	..	167,630	..	3,352,600
	8	..	..		..	
	4	..	..	853,001	..	3,412,004
	2	..	..	143,000	..	286,000
	1	..	..	11,811,760	..	11,811,760
	16/-	..	..	440,000	..	352,000
Notes of the Branches.						
Notes for £40					..	
	8	..	..		..	
				13,793,956		£34,356,964

Notes destroyed.

12,251,760 notes have been destroyed by the chemical process in use, namely :—

11,811,760	notes for £1 representing a sum of	£11,811,760
440,000	„ „ 16/ „ „	352,000
12,251,760		£12,163,760

This is, as compared with the year 1875, an increase of 7,114,251 notes for £36,701,866.

Notes withdrawn from Circulation.

The notes withdrawn from circulation amount for the year 1876 to 12,213,142 in number.

This represents a decrease of 24,754,869 notes on the year 1875.

Account of Profits in addition to Capital.

During the course of the year which has just closed, the rate of discount has never exceeded from 3 to 4 per cent. and that on advances 4 to 5 per cent.

In consequence there has been no alteration in the account of profits in addition to capital. It stands as in January, 1876, at the sum of £320,092.

Buildings, &c.

The buildings and furniture of the Bank continue to stand on its balance-sheet at £160,000. The completion of the last works has not yet taken place, though these works are drawing to a close. The time has therefore not yet arrived for making any alteration in the valuation of the real property of the Bank, notwithstanding the increase resulting from the surplus value of the land and the expense of the new buildings.

With regard to the branches, 76 have carried on business during 1876.

The buildings which they occupy had cost on the 23rd December, 1876, £875,744.

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The sums written off from this up to this date amount to **£672,713**

Their value is thus reduced to **£203,031**

for which sum they are entered at the present time in the balance-sheet of the Branches.

Staff of the Bank.

The staff of the Bank consisted on the 23rd last December of :—

824 officials in the Central Bank.

789 " " Branches.

Total, 1,613 officials, including the directors, heads of departments, the clerks and the subaltern agents of all ranks. In 1875 the number was 1,598.

This shows an increase of 15 agents. The staff at Paris has been reduced by 6 officials, whilst that of the branches has been increased by 21 in consequence of the formation of new branches in the course of the year 1876.

Reserve Fund of the Staff.

This reserve fund consisted, on the 23rd December, 1876, of :—

1,000 shares of the Bank of France.

£4,685 *rente* 3 per cent.

880 *rente* 4½ per cent.

580 *rente* 5 per cent.

12,831 in Treasury bonds at 5 per cent.

2,201 railway bonds.

The whole having cost £325,008.

General Transactions.

In 1875 the transactions of the bank amounted to ... **£466,293,196**

In 1876 those of the seventy-six branches in

operation amounted to **£181,396,324**

Those of the Central Bank, to **185,277,032**

Total **£366,673,356**

Being a diminution in 1876 of **£99,619,840**

The ordinary expenses of the branches, excluding those of

specie amounting to £4,000, have been... ... **£223,267**

Those of the Central Bank, excluding £724 for the same

purpose, have been **361,651**

Total **£584,918**

Among these expenses the stamp duties on the circulation

paid to the government, contributions, tax on the divi-

dends, &c., have amounted alone to the relatively

enormous sum of **£195,586**

The net profits realised by the branches have been ... **£157,016**

Those of the Central Bank, deducting £389,400 of *rente*, and

£174,800 taken from the reserves... **371,476**

Total **£528,492**

The proportions are as follows :—

Transactions at the branches ... 49 per cent.

 " at the Central Bank ... 51 "

With regard to the profits, their proportion amounts to:—

30 per cent. at the branches.
70 „ at the Central Bank.

The net dividends, distributed in 1876, have amounted to £5. 16s. per share. Compared with those of 1875, this shows a diminution of £2. 4s. From whichever point of view it is examined, gentlemen, this result was inevitable; we foresaw it day by day in the presence of the circumstances to which it is due.

At Paris, an unprecedented abundance of capital seeking employment has turned aside from your portfolio a considerable quantity of discountable securities at a rate of interest against which the bank would have endeavoured to strive in vain. In the provinces, the branches have felt in some degree the effects of the same phenomenon. Besides the cause just mentioned, the almost universal depression of commerce and trade has compelled 26 branches to show their balance-sheet on the wrong side, whilst the profits of the more prosperous branches have been diminished. The bank, confined within the scope of its statutes, of which the fundamental bases have experienced no change since 1806, lacks the liberty, the elasticity of action of other financial institutions or societies. It has to restrict its operations to the discount of commercial bills with three signatures, or of Treasury bonds;—to warrants based on substantial pledges, to advances on deposits of certain fixed securities. This is a condition of safety which undoubtedly extends the confidence in which its note circulation rejoices, but of which it cannot regulate the consequences at its will. As it happens in every liquidation when approaching completion, and also, as we have stated, under the force of circumstances unfavourable to them, some accounts, originating in, or connected with, transactions which were held over, weigh more heavily than had been expected on the reserve especially appropriated for this purpose. The particular and constant attention of the board of directors is therefore on the alert with regard to this question, the final settlement of which is being energetically pursued by the government of the bank.

The plethora and the extreme cheapness of disposable capital, the slackness of commercial transactions in France and abroad, the languor of almost every branch of business still continues. But the intelligent and devoted zeal of those who are associated with its labours will assist the government of the bank to draw the greatest advantage from the elements which offer themselves either for the increase of its profits or the diminution of its expenses, while your wise and prudent reserves will assist in lessening the effects of the difficulties which exist, whilst waiting the return of a prosperity, which we shall share, it must be hoped, with the entire country.

More than any one else, gentlemen, your censors stand in need of the consideration of the board of directors, of the goodwill of the officials of every grade; in no respect has this been wanting to them. We desire to express here to those whose due it is, our thanks and profound gratitude.

Death has removed from the board of discount one of its worthiest members, M. Sauvage. In joining in the regret of his colleagues and of his friends, we only pay a just tribute to those intellectual and moral qualities which distinguished him, and to the services which he has rendered to the board of discount.

The general assembly has re-elected censor for three years, M. Moreau; regents for five years, M. Davillier, the Count of Germiny, and M. Legrand de Villiers.

GENERAL STATEMENT OF BUSINESS DONE BY THE BANK OF FRANCE AND ITS BRANCHES

DURING THE YEARS 1875 AND 1876.

(The Franc converted as 25 = £1 in this Table.)

	1875.			1876.		
	Paris.	Branches.	Total.	Paris.	Branches.	Total.
Discounts of Commercial Paper	£ 124,050,236	£ 149,021,104	£ 273,071,340	£ 100,857,216	£ 124,728,940	£ 225,586,156
Do. Bonds of the Treasury	110,275,000	..	110,275,000	68,891,800	..	68,891,800
Do. Do. of the City of Paris	1,212,000	..	1,212,000	..	..	..
Do. Do. of the Mint	251,680	..	251,680	2,140	..	2,140
Advances on Bonds of the Treasury and other Securities	1,623,948	..	1,623,948	1,503,020	..	1,503,020
Advances on Government Stock	3,065,500	3,234,444	6,299,944	2,483,464	2,988,032	5,471,496
Do. on Shares and Bonds of Railways	2,571,872	2,302,040	4,873,912	2,342,780	1,997,172	4,339,952
Do. on Bonds of the Crédit Foncier	204,260	96,180	300,440	185,388	100,992	286,380
Do. on Bullion	2,037,608	983,144	3,020,752	1,378,408	441,036	1,819,444
Drafts at sight and remittances	6,501,784	16,104,280	22,606,064	7,146,356	12,502,596	19,648,952
Payments by Treasurers Payers-General (Trésoriers-Payeurs généraux)	..	40,401,392	40,401,392	..	38,597,396	38,597,396
Advances on Values of Gold and Silver	2,315,288	..	2,315,288	486,460	..	486,460
Receipts by the Central Office of the Bank of Arrears due on Railway Shares sent by the Branches	..	41,436	41,436	..	40,160	40,160
	£254,109,176	£212,184,020	£466,293,196	£185,277,032	£181,396,324	£366,673,356

**GROSS PROFIT OF BUSINESS DONE BY THE BANK OF FRANCE AND ITS BRANCHES DURING
THE YEARS 1875 AND 1876.**

(The Franc converted as 25=£1 in this Table.)

	1876.			1876.		
	Paris.	Branches.	Total.	Paris.	Branches.	Total.
Discounts of Commercial Paper	£480,161	£435,108	£915,269	£315,118	£ 296,48	£611,600
Do. Bonds of the Treasury	275,000	—	275,000	171,800	—	171,800
Do. do. of the City of Paris	6,600	—	5,600	—	—	—
Do. do. the Mint	228	—	228	2	—	2
Advances on Bonds of the Treasury, Shares in Canals and other Securities	19,547	—	19,547	18,409	—	18,409
Advances on Government Stock	34,417	36,269	70,686	30,716	32,101	62,817
Do. on Shares and Bonds of Railways	31,938	28,090	60,028	28,632	23,679	52,311
Do. on Bonds of the <i>Crédit Foncier</i>	2,526	1,099	3,625	2,378	1,233	3,611
Do. on Bullion	5,892	3,419	9,311	2,629	3,262	5,881
Commission on Drafts at Sight and Remittances... Transfer Fees, Commissions on Payments made, and Exchanges of Shares	4,866	4,882	9,748	4,565	5,438	10,003
Commission on Cashing Coupons sent to Paris, and on the obtaining receipt of arrears paid at the Branches	27,502	5,097	32,599	29,308	5,079	34,387
Premium on values of Gold and Silver	—	397	397	—	381	381
Commission on Parcels of the Precious Metals	3,159	—	3,159	1,209	—	1,209
Balance of Profit not divided, brought forward from the preceding six months	184	—	184	125	—	125
Balance disposable of credits in former Statements of Accounts	30,789	—	30,789	1,835	—	1,835
Sale of Old Materials	64,441	—	64,441	57,854	—	57,854
Receipts on Bills Overdue	675	—	675	1,029	—	1,029
Overdue Interest on Protested Bills	7,230	2,618	9,748	1,661	2,616	4,177
Sundry Profits	2,260	1,553	3,813	1,670	1,115	2,785
Receipts on Securities Overdue at the late Branch at Strasbourg	—	937	937	—	502	502
Dividends belonging to the Bank	377	—	377	2,436	—	2,436
	385,121	—	395,121	389,402	—	389,402
	£1,391,913	£519,369	£1,911,282	£1,060,678	£371,878	£1,432,556

RESULT OF THE OPERATIONS OF THE BANK OF

[The Franc converted as

FIRST SIX MONTHS.

	(1) Paris.	(2) Branches.	Amount of columns 1 & 2 added together.	Total.
	£	£	£	£
"Contributions directes"	2,946	2,521	5,467	
Tax of 3 per cent. upon the dividend	19,191	—	19,191	
Stamp duty on the circulation	42,116	31,332	73,448	
Stamp duty on the shares, and sundry stamps ..	1,385	—	1,385	
	65,638	33,853	99,491	
Expenses of carriage of specie and notes ..	357	1,552	1,909	
Net expenses of the business	113,122	74,059	187,181	
Total expenses of the business	179,117	109,464	288,581	
Deduct from this the tax of 3 per cent. included in the amount of the dividend	19,191	—	19,191	
	159,926	109,464	269,390	269,390
Rebate of interest at Paris and the Branches ..	55,952	19,926	75,878	75,878
Gross dividend on 182,500 shares at £3. 10s. 2d. per share				639,690
Balance of profit not divided				1,087
				986,045
SECOND SIX MONTHS.				
	£	£	£	£
"Contributions directes"	2,953	2,353	5,306	
Tax of 3 per cent. upon the dividend	13,546	—	13,546	
Stamp duty on the circulation	42,116	33,743	75,859	
Stamp duty on the shares, and sundry stamps ..	1,385	—	1,385	
	60,000	36,096	96,096	
Expenses of carriage of specie and notes ..	367	2,448	2,815	
Net expenses of the business	122,891	79,260	202,151	
Total expenses of the business	183,258	117,804	301,062	
Deduct from this the tax of 3 per cent. included in the amount of the dividend	13,546	—	13,546	
	169,712	117,804	287,516	287,516
Rebate of interest at Paris and the Branches ..	47,741	18,744	66,485	66,485
Gross dividend on 182,500 shares at £2. 9s. 5d. per share				451,546
Balance of profit not divided				372
				805,919

FRANCE AND ITS BRANCHES DURING THE YEAR 1876.

25 = £1 in this Table.]

153RD DIVIDEND.

	Paris.	Branches.	Total.
	£	£	£
Rebate brought forward from the preceding six months ..	77,578	31,152	108,730
Balance of profit not divided brought forward from the preceding six months ..	748	—	748
Balance disposable of credits belonging to the expenses of carrying on the business in 1875 ..	57,855	—	57,855
Discounts of commercial paper during the six months ..	286,469	174,913	461,382
Arrears on securities belonging to the Bank ..	195,347	—	195,347
Interest on advances on Bonds of the City of Paris ..	9,939	—	9,939
Do. do. Government stock ..	16,868	16,763	33,631
Do. do. Railway shares ..	15,393	12,719	28,112
Do. do. Shares of the Credit Foncier ..	1,271	677	1,948
Do. do. Bullion and Coin ..	1,213	1,897	3,110
Commission on drafts at sight and remittances ..	2,635	2,487	5,122
Transfer fees, Commission on Payments, and Exchanges of shares ..	15,561	2,366	17,927
Commission on cashing coupons sent to Paris ..	—	49	49
Receipts on securities overdue at the late branch of Strasbourg ..	2,436	—	2,436
Receipts on bills overdue ..	936	2,029	2,964
Overdue interest on protested bills, &c. ..	873	625	1,498
Sale of old materials ..	651	—	651
Amount taken from the special Reserve ..	54,000	—	54,000
Sundry profits ..	211	386	596
Total ..	739,983	246,062	986,045

154TH DIVIDEND.

	£	£	£
Rebate brought forward from the preceding six months ..	55,952	19,925	75,877
Balance of profit not divided brought forward from the preceding six months ..	1,087	—	1,087
Discounts of commercial paper during the six months ..	200,449	121,569	322,018
Arrears on securities belonging to the Bank ..	194,055	—	194,055
Interest on advances on Bonds of the City of Paris ..	8,470	—	8,470
Do. do. Government stock ..	13,847	16,338	29,185
Do. do. Railway shares ..	13,239	10,960	24,199
Do. do. Shares of the Credit Foncier ..	1,107	556	1,663
Do. do. Bullion and Coin ..	1,417	1,355	2,772
Commission on drafts at sight and remittances ..	1,930	2,950	4,880
Transfer fees, Commission on Payments, and Exchanges of shares ..	13,747	2,713	16,460
Commission on parcels of precious metals ..	126	—	126
„ cashing coupons sent to Paris ..	—	56	56
Receipts on bills overdue ..	626	588	1,214
Overdue interest on protested bills, &c. ..	798	489	1,287
Sale of old materials ..	377	—	377
Amount taken from the special Reserve ..	120,800	—	120,800
Sundry profits ..	999	394	1,393
Total ..	629,026	176,893	805,919

BANK OF FRANCE:

The Franc converted as

Date.	Notes in circulation.	Drafts to order and receipts payable at Paris and Branches.	Current Accounts at Paris.	Current Accounts at Branches.	Treasury Accounts.	Total Liabilities.
	£	£	£	£	£	£
Jan. 6	99,912,000	460,000	10,164,000	1,236,000	6,192,000	117,964,000
13	100,480,000	476,000	9,804,000	1,112,000	6,020,000	117,892,000
20	100,492,000	472,000	9,388,000	1,108,000	5,864,000	117,324,000
27	99,920,000	468,000	9,388,000	1,268,000	6,148,000	117,192,000
Feb. 3	100,716,000	536,000	9,064,000	1,392,000	5,424,000	117,132,000
10	99,384,000	472,000	8,748,000	1,212,000	5,668,000	116,484,000
17	99,268,000	496,000	9,212,000	1,304,000	5,856,000	116,136,000
24	98,552,000	512,000	10,504,000	1,284,000	5,520,000	116,372,000
Mar. 2	99,800,000	568,000	9,800,000	1,484,000	5,608,000	117,260,000
9	98,912,000	556,000	11,124,000	1,224,000	5,628,000	117,444,000
16	98,580,000	592,000	10,848,000	1,280,000	5,696,000	116,996,000
23	97,488,000	532,000	12,640,000	1,336,000	5,964,000	117,960,000
30	98,344,000	564,000	12,972,000	1,262,000	6,216,000	119,348,000
April 6	98,140,000	612,000	11,748,000	1,536,000	5,460,000	117,496,000
13	98,672,000	612,000	11,616,000	1,308,000	5,296,000	117,504,000
20	98,376,000	564,000	11,652,000	1,244,000	4,732,000	116,568,000
27	97,516,000	576,000	12,612,000	1,484,000	5,108,000	117,296,000
May 4	98,244,000	616,000	13,032,000	1,236,000	4,372,000	117,500,000
11	97,616,000	584,000	13,060,000	1,448,000	5,076,000	117,784,000
18	97,420,000	612,000	13,596,000	1,508,000	5,284,000	118,420,000
26	96,832,000	672,000	14,440,000	1,508,000	5,300,000	118,752,000
June 1	98,680,000	740,000	13,376,000	1,916,000	5,192,000	119,904,000
8	96,748,000	752,000	15,228,000	1,796,000	5,116,000	119,640,000
15	97,140,000	780,000	15,908,000	1,676,000	5,220,000	120,724,000
22	95,912,000	432,000	16,488,000	1,700,000	5,908,000	120,440,000
29	97,232,000	800,000	16,612,000	1,600,000	7,064,000	123,308,000
July 6	98,384,000	792,000	14,520,000	1,766,000	6,760,000	122,212,000
13	99,268,000	856,000	13,632,000	1,520,000	6,536,000	121,812,000
20	99,220,000	828,000	13,880,000	1,440,000	6,364,000	121,732,000
27	97,452,000	800,000	18,264,000	1,420,000	7,620,000	125,556,000
Aug. 3	98,764,000	840,000	15,308,000	1,600,000	7,620,000	124,132,000
10	98,044,000	808,000	13,968,000	1,472,000	8,316,000	122,608,000
17	97,632,000	852,000	14,136,000	1,572,000	3,592,000	117,784,000
24	97,284,000	836,000	14,636,000	1,384,000	3,496,000	117,636,000
31	100,324,000	908,000	14,404,000	1,548,000	3,280,000	120,464,000
Sept. 7	97,948,000	848,000	14,128,000	1,540,000	2,896,000	117,360,000
14	98,416,000	872,000	13,396,000	1,412,000	3,084,000	117,180,000
21	98,096,000	862,000	13,112,000	1,566,000	3,272,000	116,888,000
28	98,620,000	792,000	12,744,000	1,668,000	4,280,000	118,104,000
Oct. 5	100,904,000	816,000	11,932,000	1,376,000	3,244,000	118,272,000
12	101,328,000	880,000	12,348,000	1,460,000	2,572,000	118,588,000
19	101,592,000	940,000	12,360,000	1,440,000	3,156,000	119,488,000
26	101,356,000	892,000	12,908,000	1,552,000	4,172,000	120,880,000
Nov. 2	103,024,000	980,000	13,156,000	1,648,000	4,280,000	123,088,000
9	101,448,000	956,000	15,332,000	1,456,000	3,772,000	122,964,000
16	102,416,000	964,000	13,864,000	1,392,000	3,820,000	122,456,000
23	101,848,000	952,000	14,832,000	1,588,000	3,872,000	123,092,000
30	104,688,000	940,000	14,464,000	1,672,000	4,280,000	126,044,000
Dec. 7	101,644,000	972,000	15,064,000	1,766,000	3,584,000	123,020,000
14	101,748,000	1,000,000	15,004,000	1,592,000	3,552,000	122,896,000
21	101,732,000	996,000	15,132,000	1,680,000	3,696,000	123,236,000
28	102,512,000	1,032,000	15,780,000	1,596,000	4,564,000	125,484,000
Average of Year.	99,347,000	736,000	13,102,000	1,472,000	5,031,000	119,688,000

ANALYSIS OF RETURNS, 1876.

25 = £1 in the Table.

Date.	Coin and Bullion.	Proportion per cent. of Coin and Bullion to Total Liabilities.	Bills Discounted in Paris.	Bills Discounted at Branches.	Total Bills Discounted.	Other Advances.
	£	q/	£	£	£	£
Jan. 6	67,444,000	57	13,760,000	12,160,000	25,920,000	3,884,000
13	67,468,000	57	13,368,000	11,968,000	25,336,000	3,824,000
20	67,592,000	57	13,292,000	11,128,000	24,420,000	3,880,000
27	67,880,000	58	12,520,000	11,244,000	23,764,000	3,900,000
Feb. 3	68,664,000	58	11,944,000	11,480,000	23,424,000	3,932,000
10	69,432,000	59	11,784,000	10,036,000	21,820,000	3,856,000
17	70,168,000	60	11,004,000	9,736,000	20,740,000	3,844,000
24	71,068,000	61	10,940,000	9,256,000	20,196,000	3,788,000
Mar. 2	72,120,000	61	10,288,000	9,612,000	19,900,000	3,760,000
9	73,228,000	62	10,380,000	8,652,000	19,032,000	3,736,000
16	73,824,000	63	9,644,000	8,516,000	18,160,000	3,732,000
23	74,984,000	63	9,852,000	8,152,000	18,004,000	3,544,000
30	75,424,000	63	11,052,000	8,100,000	19,152,000	3,408,000
April 6	75,672,000	64	9,396,000	7,932,000	17,328,000	3,408,000
13	75,776,000	64	9,328,000	7,848,000	17,176,000	3,448,000
20	76,344,000	65	9,448,000	7,592,000	17,040,000	3,352,000
27	77,096,000	66	9,056,000	7,796,000	16,852,000	3,352,000
May 4	78,140,000	67	8,932,000	7,628,000	16,560,000	3,340,000
11	78,752,000	67	8,596,000	7,448,000	16,044,000	3,340,000
18	79,476,000	67	8,564,000	7,580,000	16,144,000	3,308,000
26	80,092,000	67	8,616,000	6,938,000	15,584,000	3,284,000
June 1	80,472,000	67	8,736,000	7,708,000	16,444,000	3,284,000
8	80,976,000	68	8,708,000	6,896,000	15,604,000	3,304,000
15	81,372,000	67	9,272,000	6,984,000	16,256,000	3,308,000
22	81,932,000	68	8,652,000	7,104,000	15,756,000	3,312,000
29	82,468,000	67	10,168,000	7,452,000	17,620,000	3,332,000
July 6	82,900,000	68	8,892,000	7,696,000	16,588,000	3,380,000
13	82,460,000	68	8,308,000	7,776,000	16,084,000	3,384,000
20	83,044,000	69	8,748,000	7,540,000	16,288,000	3,364,000
27	83,508,000	67	10,476,000	9,120,000	19,596,000	3,472,000
Aug. 3	83,796,000	68	8,860,000	9,268,000	18,128,000	3,468,000
10	83,760,000	68	8,600,000	7,728,000	16,328,000	3,416,000
17	83,920,000	71	7,880,000	7,604,000	15,484,000	3,340,000
24	84,072,000	71	8,056,000	7,124,000	15,180,000	3,372,000
31	84,032,000	70	10,368,000	7,452,000	17,820,000	3,444,000
Sept. 7	84,124,000	72	7,652,000	7,092,000	14,744,000	3,388,000
14	84,172,000	72	7,724,000	6,864,000	14,588,000	3,356,000
21	84,312,000	72	7,560,000	6,924,000	14,484,000	3,332,000
28	84,464,000	71	7,708,000	7,460,000	15,168,000	3,332,000
Oct. 5	84,264,000	71	8,320,000	7,416,000	15,736,000	3,340,000
12	83,820,000	70	8,308,000	8,112,000	16,420,000	3,360,000
19	84,644,000	71	8,500,000	8,316,000	16,816,000	3,404,000
26	85,308,000	70	8,416,000	9,112,000	17,528,000	3,488,000
Nov. 2	85,580,000	69	8,836,000	10,212,000	19,048,000	3,540,000
9	86,536,000	70	9,188,000	9,204,000	18,392,000	3,596,000
16	86,468,000	70	8,728,000	9,420,000	18,148,000	3,578,000
23	86,700,000	70	9,056,000	9,212,000	18,268,000	3,680,000
30	86,736,000	69	11,452,000	9,488,000	20,940,000	3,824,000
Dec. 7	86,980,000	71	8,752,000	8,904,000	17,656,000	3,900,000
14	87,000,000	71	8,764,000	8,668,000	17,432,000	3,980,000
21	87,208,000	71	8,600,000	8,972,000	17,572,000	4,064,000
28	87,180,000	69	10,028,000	9,620,000	19,648,000	4,204,000
	80,285,000	67	9,521,000	8,524,000	18,045,000	3,545,000

Reports of Joint Stock Banks.

BIRMINGHAM BANKING COMPANY, LIMITED.

REPORT of the directors to the shareholders at the eleventh general meeting, held the 26th July, 1877; P. H. Muntz, Esq., M.P., in the chair:—

"In presenting the eleventh annual report, the directors have great satisfaction in congratulating the proprietors on the result of the business of the past year. After making ample provision for bad and doubtful debts, and allowance for rebate on bills current, the net profits for the year ended the 30th June amount to £34,462. 13s. 11d., to which has to be added the amount brought forward from the previous year, viz., £2,626. 3s. 4d., making a total disposable sum of £37,088. 17s. 3d., which has been appropriated as follows: dividend of 15 per cent. per annum for the half-year ended 31st December, 1876, paid 1st February, £11,865. 5s.; dividend of 15 per cent. per annum for the half-year ended 30th June, payable 1st August next, £11,860. 7s. 9d.; bank premises redemption fund, £307; guarantee fund, £10,300; balance carried forward to next account, £2,766. 4s. 6d., together £37,088. 17s. 3d. The paid-up capital is £159,070, and the guarantee fund £162,000. The directors who retire on this occasion are Thomas Gladstone, Esq., and Joshua Horton, Esq., who, being eligible, offer themselves for re-election. The auditors, Messrs. Carter and Carter, also retire from office, but are eligible for re-election. In December last Mr. James Leigh was appointed your general manager. The directors were well satisfied before making such appointment that it would be for the best interest of the bank, and they have pleasure in stating that their opinion has been confirmed by the experience they have had of Mr. Leigh's management. In January last, Mr. William Holliday, the late chairman of the bank, resigned the chairmanship of and his seat at the board. The directors accepted his resignation with regret, because from the first formation of the company he had devoted great ability and energy, and unremitting attention, to the business of the bank. Mr. P. H. Muntz, M.P., was elected chairman in his place."

Balance-sheet, 30th June, 1877.

<i>Dr.</i>		LIABILITIES.	
Proprietors' capital, viz., 31,814 shares, £5 per share paid ..	£159,070	0	0
Guarantee fund	162,000	0	0
Due by the bank on deposit, current, and other accounts ..	1,299,826	10	9
Seven-day and other drafts	9,733	8	1
Redemption fund for bank premises	3,936	1	11
Amount reserved for dividend, at 15 per cent. per annum, payable 1st August next	11,860	7	9
Balance, being unappropriated profits carried forward to next account	2,766	4	6
	£1,639,192	13	0
<i>Cr.</i>		ASSETS.	
Cash in hand, at the Bank of England, and with agents ..	£178,049	9	5
Investments on account of Guarantee fund—			
New 3 per cents.	25,000	0	0
Consols	16,000	0	0
Borough of Birmingham bonds	10,000	0	0
East India government debentures	4,000	0	0
Bills of exchange	504,937	13	5
Due to the bank on current and other accounts ..	866,966	7	0
Bank premises and furniture, Birmingham and Walsall ..	34,239	3	2
	£1,639,192	13	0

Birmingham, Dudley, and District Banking Company. 783

The following resolutions were carried unanimously:—

“That the report of the directors be approved and adopted.

“That Mr. Thomas Gladstone be re-elected a director of the bank.

“That Mr. Joshua Horton be re-elected a director of the bank.

“That Messrs. Carter and Carter, public accountants, be re-elected the auditors of the company, and that the sum of £110 be paid to them for their services.

“That the thanks of the meeting be given to the manager, the sub-manager, the manager of the Walsall branch, and the other officers, for their zealous attention to the interests of the bank.

“That the cordial thanks of this meeting be given to Mr. William Holliday, for his long services to the bank.

“That the best thanks of this meeting be given to Mr. P. H. Muntz for his able conduct in the chair, and to the directors for their efficient administration of the affairs of the bank.”

THE BIRMINGHAM, DUDLEY, AND DISTRICT BANKING COMPANY.

REPORT of the directors submitted to the shareholders at the forty-first annual ordinary meeting, held at Birmingham, 23rd July, 1877; Mr. Walter Williams in the chair:—

“During the past year the bank has had to contend with the continued depression of trade and the low market value of money, but, notwithstanding these adverse causes, the operations of the bank have been so far successful, that the directors are enabled to lay the accompanying balance-sheet before the shareholders. After deducting current expenses, rebate on bills, paying the income-tax, and making due provision for all bad and doubtful debts, the net profits amount to £40,042. 16s. 3d., to which must be added £744. 15s. 5d., the balance of last year's profit and loss, making for distribution £40,787. 11s. 8d. An interim dividend was paid in February last at the rate of 12½ per cent. per annum, amounting to £14,260, and the directors recommend a similar dividend to be paid in August next. They have transferred £10,000 from profit and loss account to the credit of the reserve surplus fund, which, with this addition, will amount to £105,000, and after deducting £300, as usual, for the redemption of bank premises and other leasehold estate held by the bank, there will remain a balance of £1,967. 11s. 8d. to be carried forward to next year's profit and loss account. In consequence of changes in the management of the bank, rendered necessary by the retirement of Mr. W. H. Clemow, the district manager, the board has appointed Mr. Alexander Walker to be assistant general manager. The directors have thought it desirable to consider the long and faithful services of Mr. J. F. Naylor, late manager of the Dudley branch, and they have agreed to grant him a retiring allowance, subject to the confirmation of the shareholders. The directors retiring by rotation at the meeting will be Messrs. W. W. Riddell, W. Robinson, and J. W. Williams, who are all eligible for re-election, and they offer themselves accordingly. The auditor, Mr. Walter N. Fisher, retires also at the meeting, but is eligible and offers himself for re-election.”

Balance-sheet, 30th June, 1877.

Dr.	LIABILITIES.			
Capital account:				
25,000 shares, £8 per share paid }		£228,160	0	0
7,040 „ £4 „ „ }				
Reserve surplus fund		105,000	0	0
Bank premises redemption fund		1,733	19	2
Drafts on London agents and notes in circulation		18,909	7	8
Due on deposit, current and other accounts		1,689,254	3	1
		£2,043,057	9	11

784 *Birmingham, Dudley, and District Banking Company.*

ASSETS.

<i>Cr.</i>			
Bills of exchange	£622,357	18	9
Cash in hand, at Bank of England, and at call	197,052	6	8
Government stock, and other similar securities, at cost price	216,147	5	6
Bank premises (freehold and leasehold), furniture, &c. ..	41,177	11	11
Advances on current accounts and loans on security ..	966,322	7	1
	<u>£2,043,057</u>	<u>9</u>	<u>11</u>

Profit and Loss Account for the year ending 30th June, 1877.

<i>Dr.</i>			
Dividend paid 1st February, free of income-tax, at 10s. per share on 25,000 shares, £12,500; at 5s. per share on 7,040 shares, £1,760	£14,260	0	0
Amount added to reserve fund	10,000	0	0
Bank premises redemption fund	300	0	0
Proposed dividend to be paid 1st August, at 10s. per share on 25,000 shares, £12,500; at 5s. per share on 7,040 shares, £1,760	14,260	0	0
Balance to next year's profit and loss account.. ..	1,967	11	8
	<u>£40,787</u>	<u>11</u>	<u>8</u>

<i>Cr.</i>			
Balance of profit and loss account, 30th June, 1876	£744	15	6
Net profit for the year ending 30th June, 1877.. ..	40,042	16	3
	<u>£40,787</u>	<u>11</u>	<u>8</u>

Moved by the chairman, seconded by the deputy-chairman, and carried unanimously:—1. That the report of the directors be approved and adopted, and that a printed copy thereof, together with a copy of the resolutions of this meeting, be sent to each shareholder.

Moved by the chairman, seconded by Mr. T. P. Cheshire, and carried unanimously:—2. That a dividend of 10s. per share upon the £20 shares, and of 5s. per share upon the £10 shares, free from income-tax, be now declared, payable on and after the 1st of August next.

Moved by Mr. John Perry, seconded by Mr. T. L. Nicklin, and carried unanimously:—3. That the three directors retiring at this meeting, Messrs. W. W. Riddell, W. Robinson, and J. W. Williams be, and they are hereby, re-elected directors of the company.

Moved by Mr. S. Meriden, seconded by Mr. J. C. Stokes, and carried unanimously:—4. That the best thanks of this meeting be presented to the directors for their efficient administration of the affairs of the bank.

Moved by Mr. John Aston, seconded by Mr. John Padmore, and carried unanimously:—5. That the best thanks of this meeting be given to Mr. Walter N. Fisher, and that he be, and is hereby, re-elected the auditor of the company.

Moved by the chairman, seconded by Mr. Walter Robinson, and carried unanimously:—6. That the arrangement entered into by the directors with Mr. J. F. Naylor for a retiring allowance be hereby approved and confirmed.

Moved by the Chairman, seconded by Mr. T. Bullock, and carried unanimously:—7. That the best thanks of this meeting be presented to Mr. Thomas Barney, the general manager, the managers, and the other officers of the bank, for the zealous and efficient discharge of their respective duties during the past year.

Mr. Swinburn, the deputy-chairman, having been called to the chair, Moved by Mr. George Bagot, seconded by Mr. C. L. Browning, supported by Mr. James McClelland, and carried with acclamation:—8. That the best thanks of this meeting be given to Mr. Walter Williams for his able and courteous conduct in the chair.

CONSOLIDATED BANK, LIMITED.

Report of the directors presented to the shareholders at the half-yearly meeting held 18th July, 1877; Mr. Matthew Curtis in the chair:—

"The directors beg to submit for the information of the shareholders the accounts and balance-sheet for the half-year ending 30th June, 1877. After payment of all expenses, and making provision for bad and doubtful debts, there remains a net profit for the half-year of £43,428. 17s. 5d.; to this has to be added the balance from last half-year, £5,555. 7s. 4d., making a total available for distribution of £48,984. 4s. 9d. This sum the directors propose to appropriate as follows: To payment of a dividend at the rate of 10 per cent. per annum, free of income-tax, £40,000; to reserve fund (making, with interest, £5,000 for the half-year), £2,900; to carry forward to next account, £6,084. 4s. 9d.; together £48,984. 4s. 9d. After the above appropriation, and including interest thereon for the last six months, the reserve fund will amount to £145,000. It is with sorrow that the directors have to report the death, during the past half-year, of their highly valued and esteemed colleague, Mr. John Peirse Kennard. For several years chairman of the bank, Mr. Kennard watched over its interests with a constant and kindly vigilance, and the grief felt at his loss by his colleagues will be shared by all those of the proprietary to whom he was personally known."

Balance-sheet, 30th June, 1877.

LIABILITIES.

<i>Dr.</i>					
Capital paid up: 200,000 shares £4 each	..	..	..	£800,000	0 0
Reserved surplus fund	..	..	..	142,100	0 0
Amount due by the bank on current, deposit, and other accounts	..	..	..	2,803,183	16 4
Acceptances	..	..	..	131,049	1 3
Balance of profit and loss account, 31st December, 1876	..	..	..	5,555	7 4
Balance, being gross profits for half-year ending 30th June, 1877, after payment of interest to customers, and making provision for bad and doubtful debts	..	..	..	65,281	6 4
				<u>£3,947,169</u>	<u>11 3</u>

ASSETS.

<i>Cr.</i>					
Investments in New 3 per Cents. and other government stocks	..	..	..	£258,381	2 1
Cash in bank, at Bank of England, and at call	..	..	..	760,705	6 1
Bills discounted, loans and other securities	..	..	..	2,731,830	3 5
Bank premises, London and Manchester	..	..	..	180,752	5 0
Current expenses, London and Manchester	..	..	..	15,500	14 8
				<u>£3,947,169</u>	<u>11 3</u>

Profit and Loss Account.

<i>Dr.</i>					
Current expenses, London and Manchester, income-tax, Directors' remuneration, &c.	..	..	..	£15,500	14 8
Rebate on bills discounted not yet due	..	..	..	6,351	14 3
Proposed dividend, at the rate of 10 per cent. per annum	..	..	..	40,000	0 0
Reserve surplus fund	..	..	..	2,900	0 0
Balance carried forward to next account	..	..	..	6,084	4 9
				<u>£70,836</u>	<u>13 8</u>

<i>Cr.</i>					
Balance of gross profits brought down	..	..	..	£65,281	6 4
Balance of profit and loss account, 31st Dec., 1876	..	..	..	5,555	7 4
				<u>£70,836</u>	<u>13 8</u>

The following resolutions were carried unanimously:—

“That the report of the directors be and is hereby received and adopted, and that the same be printed and circulated among the shareholders.

“That a dividend for the half-year ending the 30th June, 1877, be and is hereby declared, at the rate of 10 per cent. per annum, free of income-tax, and payable on the 24th July.

“That the thanks of the shareholders be and are hereby given to the managers and other officers of the bank in London and Manchester.

“That the thanks of the proprietors be given to the chairman for his courteous conduct in the chair, and to the board of directors for their attention to the affairs of the bank.”

CUMBERLAND UNION BANKING COMPANY, LIMITED.

Carlisle, 30th July, 1877.

I HAVE the pleasure to inform you that the directors have declared an interim dividend of £1 per share for the half-year ending 30th June, which will absorb £18,000, and leave a balance of £4,215. 3s. 3d. to be carried forward. A copy of the half-yearly statement and balance-sheet is annexed hereto.

W. B. GORDON, General Manager.

General Balance, 30th June, 1877.

<i>Dr.</i>				
Capital paid-up	£225,000	0	0	
Reserve or guarantee fund	85,000	0	0	
Deposits on receipt and current account balances	1,599,753	18	9	
Notes in circulation	33,615	0	0	
Balance of profit and loss account	22,215	3	3	
	£1,965,584	2	0	

<i>Cr.</i>				
Cash on hand at head-office and branches	£80,839	2	4	
Ditto at call, and on security at short notice	151,582	6	8	
Bills of exchange, customers' and sundry balances	1,592,889	7	1	
Investment of reserve fund, viz.:—£50,000 Consols at 90, £45,000; £20,000 London and North Western Railway de- benture stock, £20,000; £10,000 Midland Railway debenture stock, £10,000; £10,000 Lancashire and Yorkshire Railway debenture stock, £10,000	85,000	0	0	
Bank property at Carlisle and branches.. .. .	54,535	16	6	
Bill and other stamps on hand	737	9	5	
	£1,965,584	2	0	

Profit and Loss Account for the half-year ending 30th June, 1877.

<i>Dr.</i>				
Expenses at head office and branches	£8,912	13	8	
Interest on deposits and credit balances, and rebate on bills	14,310	16	11	
Directors' remuneration	525	0	0	
Balance	22,215	3	3	
	£45,963	13	10	

English, Scottish, and Australian Chartered Bank. 787

<i>Cr.</i>			
Balance brought forward from 31st December, 1876	£29,026	8	5
Less—Dividend and bonus declared 5th February, 1877, £22,500; transferred to reserve fund, £5,000	27,500	0	0
Balance	1,526	8	5
Income-tax for the year	481	16	6
	1,044	11	11
Gross income at head office and branches during the half-year, after making provision for bad and doubtful debts	44,919	1	11
	£45,963	13	10

ENGLISH, SCOTTISH, AND AUSTRALIAN CHARTERED BANK.

REPORT of the directors to the proprietors at the forty-eighth ordinary meeting, held at London 30th July, 1877:—

“From the summary of the bank's accounts, which the directors have the pleasure to lay before the proprietors, it will be seen that the balance of profit and loss account, after making provision for bad and doubtful debts, and adding the amount £2,132. 10s. 10d. brought forward from last half-year, is £28,259. 9s. 9d. The directors are sorry that this result does not enable them to propose any addition to the reserve fund on this occasion, but they recommend the following distribution, viz.:—The payment of a dividend at the rate of 8 per cent. per annum, free of income-tax, on £600,000, the paid-up capital of the bank, £24,000; the reduction of bank premises and furniture accounts, £1,000; the balance of £3,259. 9s. 9d. to be carried forward.”

<i>Dr.</i>	LIABILITIES.		
Paid-up capital	£600,000	0	0
Deposits	2,198,462	0	11
Bills payable and other liabilities	268,058	2	10
Circulation	176,586	0	0
Reserve fund	70,000	0	0
Balance of profit from last half-year	2,132	10	10
Amount carried to profit and loss account	53,861	13	4
	£3,369,090	7	11

<i>Cr.</i>	ASSETS.		
Bills receivable (including the estimated value of those overdue), loans on security, cash at bankers, &c.	£2,909,055	12	7
Specie and bullion	362,837	15	3
Bank premises and furniture, £137,058. 13s. 10d.; less written off, £39,861. 13s. 9d.	97,197	0	1
	£3,369,090	7	11

<i>Dr.</i>	PROFIT AND LOSS ACCOUNT.		
Current expenses in Adelaide, Melbourne, Sydney, and sub-branches	£24,013	12	7
Ditto in London, including directors' remuneration and income-tax	3,711	1	10
	£27,724	14	5
Balance	28,259	9	9
	£55,984	4	2

<i>Cr.</i>						
Balance from last half-year	..	..	..	..	..	£2,132 10 10
Amount brought down	..	..	..	..	..	53,851 13 4
						<u>£55,984 4 2</u>

THE GENERAL CREDIT AND DISCOUNT COMPANY, LIMITED.

REPORT of the directors presented at the half-yearly ordinary general meeting of the company, held 24th July, 1877:—

"The course of business during the past six months presents no new feature to bring under the notice of the proprietors. The profits during the period enable the directors to pay the usual interim dividend, at the rate of 5 per cent. per annum. It will be payable on and after the 31st inst., free of income-tax. The liabilities on deposits, loans, &c., on the 30th June were £5,203,935. 1s. 3d., the acceptances (all against securities) £316,856. 18s. 8d."

HAMPSHIRE AND NORTH WILTS BANKING COMPANY.

FORTY-THIRD annual report of the directors, presented to the shareholders at the annual general meeting, held at London, the 7th August, 1877:—

"The directors have pleasure in presenting to the shareholders the accompanying statement of the accounts of the bank, made up to the 30th June, 1877, including profit and loss account for the six months ending at that date. The gross profit for the six months amounts to £59,335. 11s. 6d.; from which has been deducted the general expenditure of the company, including directors' allowances and annuities to retired officers, and income-tax, amounting to £26,326. 17s. 6d.; leaving a net profit of £33,008. 14s.; out of which the directors have decided to pay a dividend for the half-year at the rate of 20 per cent. per annum, absorbing £30,000; leaving to be carried forward at the credit of profit and loss account, £3,008. 14s.—£33,008. 14s. The directors, it will be observed, have written down the value of the bank's large holding of Consols to 90 per cent. Very ample provision has been made for all bad and doubtful debts. Shortly after commencing business in London the directors applied to be admitted into the clearing house, but the committee, which consists of London bankers, declined to accede to the application. This decision has caused considerable inconvenience to bankers generally, and admittedly to the London bankers themselves, as it has thrown outside of the clearing house the transactions of fifty branch offices which have hitherto passed through that channel, and has also added to the risk attendant upon the collection, on both sides, of cheques and other cash documents payable in London. The directors have taken measures to mitigate, as far as possible, the inconvenience to their country correspondents, and they hope the time is not far distant when the London bankers, who at present have the exclusive privilege of entry to the clearing house, will take a broader view of the situation and extend the advantages of the clearing to all bankers having city offices."

Balance-sheet, June 30th, 1877.

LIABILITIES.

<i>Dr.</i>						
Amount of paid-up capital	..	..	..	..	..	£300,000 0 0
Reserve	..	..	..	..	..	150,000 0 0
Amount due on deposit and other accounts	..	..	..	..	..	*3,402,102 14 7
Dividend payable in August	..	..	..	..	..	20,000 0 0
Balance of profit and loss account	..	..	..	..	..	3,008 14 0
						<u>£3,885,111 8 7</u>

* This amount does not include acceptances £25,965 19 2

ASSETS.

<i>Cr.</i>			
Amount due on current accounts and bills discounted	..	£2,469,329	1 6
Freehold banking premises	..	76,448	10 10
Consols at 90 per cent., £347,077 : Canada bonds guaranteed by the English Government, £52,670—£399,747 : Colonial Government bonds and other investments, £348,205. 8s. 7d. ; cash in hand, at call, and at short notice, £591,381. 7s. 8d.		1,339,333	16 3
		<u>£3,885,111</u>	<u>8 7</u>

Account of Profit for the half-year ending June 30th, 1877.

<i>Dr.</i>			
General expenditure, including income-tax	..	£26,326	17 6
Dividend at 20 per cent. per annum to this date £30,000 ; balance carried forward, £3,008. 14s.	..	33,008	14 0
		<u>£59,335</u>	<u>11 6</u>
<i>Cr.</i>			
Gross amount of profit for the half-year	..	£59,335	11 6
		<u>£59,335</u>	<u>11 6</u>

LONDON AND COUNTY BANKING COMPANY.

At the half-yearly general meeting of the proprietors, held 2nd August, 1877, Frederick Francis, Esq., in the chair, the following report for the half-year ended 30th June, 1877, was read by the secretary :—

"The directors, in presenting to the proprietors the balance-sheet of the bank for the half-year ended the 30th June last, have the satisfaction to report that, after paying interest to customers and all charges, allowing for rebate, and making provision for bad and doubtful debts, the net profits amount to £122,889. 11s. 10d. This sum, added to £11,166. 8s. 3d. brought forward from the last account, produces a total of £134,056. 0s. 1d. They have declared an interim dividend for the half-year at the rate of 16 per cent. per annum, which will absorb £120,000, leaving a balance of £14,056. 0s. 1d. to be carried forward to profit and loss new account."

Balance-sheet, 30th June, 1877.

<i>Dr.</i>			
Capital paid up	..	£1,500,000	0 0
Reserve fund	..	700,000	0 0
Amount due by the bank for customers' balances, &c., £22,364,730. 1s. 5d. ; liabilities on acceptances covered by securities, £2,233,925. 2s. 10d...	..	24,598,655	4 3
Profit and loss balance brought from last account, £11,166. 8s. 3d. ; gross profit for the half-year, after making provision for bad and doubtful debts, viz. :—£349,679. 0s. 7d.	..	360,845	8 10
		<u>£27,159,500</u>	<u>13 1</u>

<i>Cr.</i>			
Cash on hand at head office and branches, and with Bank of England, £2,715,601. 9s. 2d. ; cash placed at call and at notice covered by securities, £2,731,937. 2s. 8d.	..	£5,447,538	11 10

Investments, viz.:—Government and guaranteed stocks, £2,822,997. 18s. 9d.; colonial government and other stocks and securities, £279,317. 12s. 6d.	£3,102,315 11 3
Discounted bills, and advances to customers in town and country, £15,706,005. 18s.; liabilities of customers for drafts accepted by the bank (as per contra), £2,233,925. 2s. 10d.	17,939,931 0 10
Freehold premises in Lombard Street and Nicholas Lane, freehold and leasehold property at the branches, with fixtures and fittings	482,802 19 8
Interest paid to customers	52,296 18 5
Salaries and all other expenses at head office and branches, including income-tax on profits and salaries	134,615 11 1
	£27,159,500 13 1

Profit and Loss Account.

<i>Dr.</i>	
Interest paid to customers, as above	£52,296 18 5
Expenses	134,615 11 1
Rebate on bills not due, carried to new account	39,876 19 3
Dividend of 8 per cent. for half-year	120,000 0 0
Balance carried forward	14,056 0 1
	£360,845 8 10
<i>Cr.</i>	
Balance brought forward from last account	£11,166 8 3
Gross profit for the half-year, after making provision for bad and doubtful debts	349,679 0 7
	£360,845 8 10

The Chairman said: Gentlemen, it now becomes my duty, as acting chairman for the day, at the request of my colleagues, to make a few observations upon the state of the accounts presented to you, and also in carrying out what has been the practice for many years past (and I think a very good one), of making a few general observations upon matters which affect banking interests. In the first place, I will refer to what, perhaps, many of you may know—to what is called the general dulness and stagnation of trade. I think it will not require many observations from me to satisfy you that that is a great and deplorable fact. We have relations in this bank with many parts of the world, and from north, south, east, and west we hear the same reports, namely, that there is no vitality in trade, that is as to foreign trade. If we come a little nearer home, and inquire as to the home industries, look at the iron trades of the North and of Wales, at the manufacturing districts, Manchester, and other large centres, you hear the same account—that there is no business going on. There is a sort of hesitation in the minds of people as to acting, and I believe I may say that perhaps the only prosperous trade at the present moment, and that, I believe, very moderately so, is the trade with the Australian colonies. Then, again, if we look a little nearer to our own districts, to the agriculture of the country in which a great many of our friends are deeply interested, I know something of that business myself, and I know that for the last three years, in many parts of the country, farmers have had their hard times. The weather has been against them, and altogether their farms have been gradually getting into a worse state of cultivation from the small returns arising from their crops. All these things are most directly affecting the trade which comes through the hands of bankers in the use of money for the discount of bills, and various other operations, when money is required in an active and profitable trade. And in addition to this you may

know, which is almost the natural effect of the other, that during the last six months, the last two years I may almost say, the bank rate of interest for money has been at a very low figure indeed. These are all general matters which affect the question of banking. Perhaps, what is more interesting to you to-day is our own particular bank, and the balance-sheet which we have laid before you. The Chairman then proceeded to analyse the balance-sheet, showing the progressive nature of the different accounts, and continued, calling attention to its present state as compared with an earlier period, said : It is now about ten years since I had the honour of being one of your directors. At that time the bank balances were, in round figures, ten millions, and they are now 22½ millions, the ten years having produced an increase of about twelve millions. The capital and reserve were £1,260,000, as against £2,200,000; the reserves were then 4½ millions, as against 8½ millions now; and all that result has been gradually accumulated within the period of ten years. I think it must be highly satisfactory to every shareholder to find that the business has gradually and regularly increased during the past ten years, as it is, to my mind, most complete evidence of a continuance of prosperity. Our shareholders are gradually increasing in number, and we have now nearly 4,000 shareholders in this bank; and I am almost afraid to tell you, because it leads to such an enormous calculation, that we have something like 80,000 accounts of customers. I need scarcely tell you that, with these figures, book-keeping, and details, the working expenses must necessarily be heavy. I do not think there is any other point upon which I need make any further observation. I believe I have said enough to satisfy you that you have had, first of all, a regular and progressive increase in the business of the bank, tested, as I have endeavoured to do it shortly, by the balances and other figures; secondly, it must have satisfied you that we have got an amount of reserve in cash, money at call, and vested funds, in addition to the money which I pointed out as constantly turning round in the shape of discount of bills, to make the bank stand upon the firmest of all possible foundations.

LONDON AND SOUTH WESTERN BANK, LIMITED.

TWENTY-EIGHTH Report presented to the shareholders at the ordinary general meeting, held on the 7th August, 1877 :—

"The directors beg to present to the shareholders their report and balance sheet for the half-year ending 30th June last. It will be seen on reference to the accompanying statement of accounts that, after making a provision for bad and doubtful debts, the gross profits for the half-year (including the sum of £1,508. 12s. 9d. brought forward from last account) amount to £30,946. 18s. 9d., and that, after payment of expenses and interest, there remains an available balance of £10,666. 10s. 7d. The directors recommend the payment of a dividend at the rate of eight per cent. per annum, free of income-tax, and that the balance of £3,066. 10s. 7d. (including rebate) be carried to profit and loss new account. During the past half-year, in compliance with applications from customers and shareholders, the directors have allotted 500 shares, thereby increasing the capital to £190,000. The premiums received upon these shares have been added to the reserve fund, which now stands at £25,000."

Balance-sheet.

<i>Dr.</i>									
Capital paid-up	..	..	..	..	..	..	..	£190,000	0 0
Reserve fund	..	..	..	..	..	..	..	25,000	0 0
Amount due by the bank on current, deposit, and other accounts	..	..	..	..	..	..	..	1,466,679	5 9
Liabilities on acceptances	..	..	..	..	..	..	..	4,103	1 0
Balance of profit and loss brought from last account £1,508. 12s. 9d., gross profits for the half-year, £29,438. 6s. ..								30,946	18 9
								<u>£1,716,729</u>	<u>5 6</u>

Cr.

Cash in hand £276,623. 1s. 8d.	Cash at call and short notice	
£140,388. 15s. 4d.	.. .. .	£417,011 17 0
Bills discounted, loans, &c.	.. .. .	1,227,879 5 10
Bank premises, freehold and leasehold, furniture and fixtures	.. .. .	51,557 14 6
Current expenses, head office and branches	.. .. .	16,398 11 4
Interest paid	.. .. .	3,881 16 10
		<u>£1,716,729 5 6</u>

*Profit and Loss Account.**Dr.*

Current expenses as above	.. .. .	£16,398 11 4
Interest paid	.. .. .	3,881 16 10
Dividend at the rate of 8 per cent. per annum	.. .. .	7,600 0 0
Carried forward to profit and loss new account:—Rebate on bills not due, £1,350. 5s. 9d.; Balance of unappropriated profit, £1,716. 4s. 10d.	.. .. .	3,066 10 7
		<u>£30,946 18 9</u>

Cr.

Balance brought from last account	.. .. .	£1,508 12 9
Gross profits for the half-year	.. .. .	29,438 6 0
		<u>£30,946 18 9</u>

THE LONDON AND YORKSHIRE BANK, LIMITED.

REPORT presented to the shareholders at the ordinary half-yearly general meeting held at Doncaster, 18th July, 1877:—

"The directors herewith submit the accounts for the half-year ending 30th June last. The state of trade has become more and more unsatisfactory throughout Yorkshire, especially in the West Riding. The directors have, consequently, thought it desirable to restrict their operations. The accounts show that, after payment of expenses, allowance for rebate on bills not due, and provision for bad and doubtful debts, there remains (including the balance brought from last account) a net profit of £3,975. 17s. 9d., out of which the directors propose to declare a dividend for the half-year at the rate of 4 per cent. per annum, free of income-tax. This will absorb £2,867. 14s. 7d., leaving £1,108. 3s. 2d., to be carried forward to next account. Notwithstanding the restriction of business above referred to, the directors are now satisfied that the position of the bank will be materially strengthened and improved by additional capital, and they have resolved to increase the amount of paid-up capital to £3 per share, by two calls of 7s. each, payable on 18th August and 18th December next respectively. The directors have determined for the present not to establish any new branches which would require capital for their development, unless any very exceptional opportunity should present itself; and they do not contemplate any further call being made for some years to come."

*Balance-sheet, 30th June, 1877.**Dr.*

Capital paid up	.. .. .	£144,054 10 0
Balances on current and fixed deposit accounts, £232,875. 11s.; drafts on agents and other liabilities, £213,124. 2s. 4d.	.. .. .	445,999 13 4
Balance of profit and loss account, as shown below	.. .. .	3,975 17 9
		<u>£594,030 1 1</u>

Cr.

Cash on hand and with bankers	£88,171	3	3
Balance of bank premises, furniture and fittings	23,833	0	6
Balance of preliminary expenses	11,670	3	9
Bills discounted and other securities	470,355	13	7
	<u>£594,030</u>	<u>1</u>	<u>1</u>

Profit and Loss Account.

Dr.

Current expenses at head office, and sixteen branches and agencies	£7,190	8	10
Interest paid or accrued on current and deposit accounts, including rebate on bills not yet due	3,714	14	7
Balance appropriated as follows, viz.:—Dividend for half-year to 30th June, 1877, £2,867. 14s. 7d.; balance carried to next account, £1,108. 3s. 2d.	3,975	17	9
	<u>£14,881</u>	<u>1</u>	<u>2</u>

Cr.

Balance brought from last account	£1,071	11	2
Gross profits for half-year, after making allowance for bad and doubtful debts	13,809	10	0
	<u>£14,881</u>	<u>1</u>	<u>2</u>

MANCHESTER AND COUNTY BANK, LIMITED.

Report of the directors to the shareholders at the half-yearly ordinary general meeting, held the 27th July, 1877.

The directors have pleasure in presenting to the shareholders the annexed statement of accounts, for the half-year ended 30th June, 1877, on reference to which it will be seen that, including the balance of £5,242. 17s. 5d. brought forward from the previous half-year, there is now a net profit of £68,792. 4s. 9d. to be appropriated. Of this amount the directors propose to add £15,000 to the reserve fund, which will thus be raised to £405,000,—to pay a dividend at the rate of 15 per cent. per annum, which, together with provision for income-tax, will absorb £50,387. 7s. 11d., and to carry forward £3,404. 16s. 10d. to the profit and loss account of the present half-year.

Balance-sheet, 30th June, 1877.

Dr.

Capital—being £15 per share on 44,000 shares	£660,000	0	0
Reserve fund	390,000	0	0
Lodgments on current and deposit accounts, &c.	4,827,262	17	4
Rebate of bills on hand	11,861	17	10
Profit and loss account:—Balance from 31st December, 1876, £5,242. 17s. 5d.; net profit for the half-year (as below), £63,549. 7s. 4d.	68,792	4	9
	<u>£5,957,916</u>	<u>19</u>	<u>11</u>

Cr.

Bills of exchange, loans, credits, cash on hand, and with bankers, &c.	£5,732,928	9	8
Investment in consols	142,824	4	6
Bank property	82,164	5	9
	<u>£5,957,916</u>	<u>19</u>	<u>11</u>

Profit and Loss Account, 31st December, 1876, to 30th June, 1877.

<i>Dr.</i>	
Dividend of £1. 2s. 6d. per share and provision for income-tax	£50,387 7 11
To reserve fund	15,000 0 0
Balance carried forward	3,404 16 10
	£68,792 4 9
<i>Cr.</i>	
Balance, 31st December, 1876	£5,242 17 5
Gross profit for the half-year, after making provision for bad and doubtful debts, £85,152. 5s. 1d.; less expenses at head office and branches, and directors' and auditors' remuneration, £21,602. 17s. 9d.	63,549 7 4
	£68,792 4 9

THE METROPOLITAN BANK, LIMITED.

Report of the directors and statement of accounts presented to the shareholders at the twentieth ordinary general meeting, held 23rd July, 1877.

The directors have the pleasure to present to the proprietors their report and a statement of accounts for the half-year ending at the 30th June last. The nett profit made by the bank during the six months, including the balance of £1,891. 9s. 7d. brought forward from the last account, amounts to £5,185. 19s. 4d. The directors recommend the payment of a dividend, for the half-year ending at the 30th of June last, on the paid-up capital represented by the "A or preferred shares" (both original and new issue) of the bank, at the rate of 8 per cent. per annum, free of income-tax, which will require the sum of £4,090. 17s. 2d., and leave a balance of £1,095. 2s. 2d. to be carried forward to the credit of the next account.

Balance-sheet, 30th June, 1877.

LIABILITIES.

<i>Dr.</i>	
Proprietors' capital, as per last report—*18,031 shares, £10 each, fully paid	£180,310 0 0
8,081 A shares of £10 each, new issue, £80,810; less amount uncalled, £68,688. 10s... .. .	12,121 10 0
	£192,431 10 0
Current, deposit, and other accounts, and loans on securities, per contra	332,908 6 5
Acceptances and bills negotiated as per contra	31,171 5 6
Rebate on bills discounted, not yet due, £520. 3s. 7d.; balance of profit and loss, £5,185. 19s. 4d.	5,706 2 11
	£562,217 4 10

* As per unanimous resolution of the general meeting of the shareholders of the bank, held 29th January, 1873, viz. :—

9,016 B Shares, £10 each, fully paid up	£90,160 0 0
9,015 A Shares, do.	90,150 0 0
	£180,310 0 0

ASSETS.

<i>Cr.</i>			
Cash on hand at Bank of England, and at call	..	..	£104,965 17 10
City bonds	..	..	4,609 12 9
Bills discounted, loans, and other accounts	..	..	307,438 13 3
Contingency account	..	..	113,564 9 5
Stamps	..	..	467 6 1
Acceptances and bills negotiated, per contra	..	..	31,171 5 6
			£562,217 4 10

Profit and Loss Account from 30th December, 1876, to 30th June, 1877.

<i>Dr.</i>			
Current expenses, directors' fees, salaries, law, and other charges	..	..	£3,596 19 5
Rebate on bills discounted, not yet due, £520. 3s. 7d.; balance of profit and loss, £5,185. 19s. 4d.	..	..	5,706 2 11
			£9,303 2 4

<i>Cr.</i>			
Rebate on bills discounted at 30th December, 1876, and not then due, as per balance-sheet of that date	..	..	£546 0 1
Balance of profit and loss brought forward at 1st January, 1877, £5,982. 6s. 9d.; less dividend, at the rate of 8 per cent. per annum, to 30th December, 1876, £4,090. 17s. 2d.	..	..	1,891 9 7
Balance of gross profits for the half-year ending 30th June, 1877, after payment of interest and commission, &c. ..	..	..	6,865 12 8
			£9,303 2 4

MIDLAND BANKING COMPANY, LIMITED.

REPORT presented to the shareholders at the twenty-eighth ordinary general meeting, held at Sheffield, 20th July, 1877.

In submitting the following balance-sheet and statement of profit and loss for the half-year ending 30th June, 1877, examined and certified as usual by the auditors, the directors have to report that, having regard to the continued inactivity in the general trade of the country, the results of the operations of the bank have again been very satisfactory. Including the balance brought from last account, the gross profits for the half-year, after making provision for bad and doubtful debts, were £50,040. 0s. 2d.; and deducting therefrom interest paid or due to customers, and all the current expenses of the bank, there remained a disposable balance of £19,903. 5s. 3d. The directors have appropriated £5,000 to the increase of the reserve fund, which now stands at £55,000, and recommend a dividend for the half-year of 8 per cent. per annum, free of income-tax, which will absorb £12,000, and that the balance of £2,903. 5s. 3d., which includes rebate of bills discounted but not due, be carried to the next account. The directors take this opportunity of pointing out to their fellow shareholders that they have, within the last three years, opened the following ten new branches, viz., Ashbourne, Belper, Derby, Knighton, Oswestry, Presteign, Runcorn, Stafford, Whitchurch and Widnes, and while several of these branches are already yielding a very substantial profit, those more recently established are fully realising the anticipations of the directors, and they have further the satisfaction of stating that all expenses of establishing these branches have been discharged. By thus widening the scope of the bank's operations, the directors through a period of unprecedentedly bad trade, and in face of very keen banking

competition, have been enabled to maintain the usual dividend, besides augmenting the reserve fund, results which they are assured the shareholders will fully appreciate. Since the last meeting of the shareholders, Mr. Thomas S. Richardson, being resident in Sussex, and much absent from town, has ceased to be a director, and the directors have also to report that Mr. John Elin, on account of health, and on medical advice, has resigned his seat at the board.

Balance-sheet, 30th June, 1877.

<i>Dr.</i>				
Capital subscribed, £1,500,000; capital paid up	.. ..	£300,000	0	0
Reserve fund.. ..	.. ..	50,000	0	0
Current and deposit accounts, and other liabilities	.. ..	1,521,632	19	0
Profit and loss, balance brought from last account, £4,564. 0s. 10d.; gross profit for the half-year, after making provision for bad and doubtful debts, £45,475. 19s. 4d.	.. ..	50,040	0	2
		<u>£1,921,672</u>	<u>19</u>	<u>2</u>
<i>Cr.</i>				
Cash on hand, with agents, and at Bank of England	.. ..	£313,984	4	10
Freehold and copyhold premises, and bank fittings	.. ..	52,812	13	5
Bills and promissory notes discounted, and other advances to customers	.. ..	1,524,739	6	0
Current expenses, including salaries, rents, &c., at head office and branches, agency charges, directors' remuneration, &c.	.. ..	14,715	19	5
Interest paid or accrued on current and deposit accounts, &c.	.. ..	15,420	15	6
		<u>£1,921,672</u>	<u>19</u>	<u>2</u>

Profit and Loss Account.

<i>Dr.</i>				
Current expenses, as above.. ..	.. ..	£14,715	19	5
Interest paid or due to customers	.. ..	15,420	15	6
Reserve fund	.. ..	5,000	0	0
Dividend of 8 per cent. per annum	.. ..	12,000	0	0
Carried forward to profit and loss new account—rebate on bills not due, £1,123. 5s. 1d.; unappropriated profit, £1,780. 0s. 2d.	.. ..	2,903	5	3
		<u>£50,040</u>	<u>0</u>	<u>2</u>
<i>Cr.</i>				
Unappropriated profit from last account	.. ..	£4,564	0	10
Gross profit for the half-year, after making provision for bad and doubtful debts	.. ..	45,475	19	4
		<u>£50,040</u>	<u>0</u>	<u>2</u>

THE NATIONAL BANK.

REPORT presented to the proprietors at the half-yearly general meeting, held 26th July, 1877, at Dublin.

The directors submit the following statement of accounts and the auditors' report, showing the position of the society on the 30th June, 1877:—

Balance-sheet, 30th June, 1877:—

<i>Dr.</i>		LIABILITIES.			
Capital paid up	.. ..	£1,500,000	0	0	
Reserve or undivided profits	.. ..	90,000	0	0	
Notes in circulation	.. ..	1,429,180	10	0	

National Bank.

797

Due by the bank on deposits and current accounts	8,261,794	0	8
Acceptances to bankers' drafts and on security	10,757	1	2
Balance of profit and loss	104,977	18	8
	<u>£11,756,709</u>	<u>10</u>	<u>6</u>

Cr.	ASSETS.		
Gold and silver coin at Irish branches	£809,853	12	11
Cash on hand and at the Bank of England	580,050	4	2
Government Stock and Exchequer Bonds	676,623	15	0
Indian Guaranteed, Colonial Government, and other Stocks ..	1,097,361	3	5
Advances on securities at call and at short notice	703,512	12	8
Advances on securities at sundry dates, and current accounts, including balances due by country bankers	2,697,433	3	9
Bills discounted	4,893,184	10	10
Bankers' guarantee and securities held against acceptances, per contra	10,757	1	2
Government stock advanced for parliamentary deposit ..	2,000	0	0
Government stock lodged for metropolitan vestry accounts ..	32,735	0	0
Bank premises in London, Dublin, and branches, freehold and leasehold	253,198	6	7
	<u>£11,756,709</u>	<u>10</u>	<u>6</u>

Dr.	Profit and Loss, 30th June, 1877.		
1877.			
Jan. Amount transferred to rest or undivided profits	£10,000	0	0
Half-year's dividend to 30th December, 1876	90,000	0	0
June. Total expenditure at the head office and all the branches, including rent, taxes, salaries, &c., &c.	76,633	16	6
Balance to profit and loss new account, applicable to payment of dividend to 30th June, 1877	104,977	18	8
	<u>£281,611</u>	<u>15</u>	<u>2</u>

Cr.			
Balance at 31st December, 1876	£104,246	4	9
Gross profits for the half-year ending this day, after payment of interest, income-tax, duty on circulation, and providing for bad and doubtful debts, £203,431. 10s. 6d.; less rebate of interest on bills not due, £26,066	177,865	10	5
	<u>£281,611</u>	<u>15</u>	<u>2</u>

The profit and loss account for the past half-year, including £4,246. 4s. 9d. brought over from the last account, exhibits a balance of £104,977. 18s. 8d. There is also a sum of £10,330. 14s. 6d., profit realised on the sale of investments, together with a sum of £13,775. 4s., being the balance of £28,794. 1s. 4d. (after payment of law costs incurred in the prosecution of several suits against some of the late directors) recovered from three of the defendants in the share suit. These sums, added to £104,977. 18s. 8d., first mentioned, leave the amount of £129,083. 17s. 2d. available for distribution. Since the foregoing accounts were made up, the board have declared a dividend at the rate of 12 per cent. per annum, or 36s. per share for the half-year, payable, free of income-tax, on and after Saturday, the 28th instant. The dividend absorbs £90,000, leaving a balance of £39,083. 17s. 2d., of which amount £36,000 has been carried to rest of undivided profits, and £9,083. 17s. 2d. to profit and loss new account. The rest now stands at £120,000. John Abraham, Esq., J.P., Patrick Delany, Esq., and Patrick James Roche, Esq., the present auditors, offer themselves to the shareholders for re-election as auditors of the bank.

THE NATIONAL BANK OF NEW ZEALAND LIMITED.

REPORT presented to the shareholders at the fifth ordinary general meeting held at London, 3rd of August, 1877, Mr. Charles Magniac in the chair.

The directors have as usual to submit to the shareholders their annual report, with the balance sheet for the year ending 31st March last, from which it will be seen that the gross profits for the year, together with £1,418. 15s. 11d. carried forward on 31st March, 1876, after deducting interest on deposits, and making provision for bad and doubtful debts, amount to £76,240. 5s. 8d. From this have to be deducted the expenses at head office and branches, £45,465. 10s. 4d., and rebate on bills, £7,887. 16s. 10d., leaving a net available balance of £22,886. 18s. 6d. A sum of £10,500 has already been paid to the shareholders by way of interim dividend, and the directors propose that a further like amount be now distributed, making a dividend of 6 per cent. for the year, and that the balance, £1,886. 18s. 6d., be carried forward to the next account. The directors announce with much regret that, in consequence of ill health, Mr. William Whitbread has been compelled to resign his seat at the board. As provided by the articles, two directors retire on the present occasion—Mr. Dallas and Mr. Grahame—who are eligible for re-election, and offer themselves accordingly. The auditors, Messrs. Quilter, Ball & Co., also retire, but are eligible for re-election.

Balance-sheet for the year ending 31st March, 1877.

<i>Dr.</i>				
Capital paid up, £3. 10s. per share on 100,000 shares	£350,000	0	0	
Note circulation	107,935	0	0	
Liabilities on deposit and current accounts	1,102,592	19	4	
Bills payable and other liabilities	320,628	2	1	
Bills received for collection	312,075	16	3	
Profit and loss account—balance as undernoted	12,386	18	6	
	£2,205,618	16	2	

<i>Cr.</i>				
Coin and bullion at head office and branches, and cash at bankers	£272,478	16	10	
Bills discounted, loans, current accounts, advances on securities, &c.	1,556,066	17	1	
Bills receivable, as per contra	312,075	16	3	
Landed property, premises, furniture, &c.	64,997	6	0	
	£2,205,618	16	2	

Profit and Loss Account for the year ending 31st March, 1877.

<i>Dr.</i>				
Charges, including rent, taxes, salaries, and expenses at head office and branches	£45,465	10	4	
Interim dividend at the rate of 6 per cent. per annum for half-year ending 30th September, 1876	10,500	0	0	
Rebate on bills discounted, and not due at 31st March	7,887	16	10	
Balance carried down	12,386	18	6	
	£76,240	5	8	

<i>Cr.</i>				
Balance, 1st April, 1876	£1,418	15	11	
Gross profit, after deducting interest on deposits, and making provision for bad and doubtful debts	74,821	9	9	
	£76,240	5	8	
Balance brought down	£12,386	18	6	

The following resolutions were carried unanimously, viz. :—

"That the report and accounts be adopted and entered upon the minutes."

"That a dividend be now paid to the proprietors at the rate of six per cent. per annum for the six months ended 31st March, 1877, on the capital paid up at the commencement of the financial year, making, with the interim dividend of six per cent. per annum (paid 24th January last), for the six months ended 30th September, 1876, a distribution of six per cent. for the year, and that the balance of profit and loss account, amounting to £1,886. 18s. 6d., be carried forward."

"That Alexander Grant Dallas, Esq., be re-elected a director of this bank."

"That William Smellie Grahame, Esq., be re-elected a director of this bank."

"That Messrs. Quilter, Ball and Co. be re-elected auditors of this bank, and that they receive fifty guineas for their services for the past year."

"That the thanks of this meeting be tendered to the chairman and directors for their attention to the business of the bank during the past year."

THE NORTH EASTERN BANKING COMPANY, LIMITED.

TENTH report submitted to the shareholders at the half-yearly meeting held at Newcastle-on-Tyne, 4th August, 1877.

The Directors have the satisfaction of being able to state that the result of the past half-year's operations has been in all respects as favourable as could have been expected in the present state of trade. The annexed accounts show that after making the customary allowances the balance of profit is \$5,724. 15s. 5d.; of this amount it is recommended that £4,918. 15s. be appropriated to the payment of a dividend upon the ordinary shares for the half-year of two shillings and sixpence per share, free of income-tax, being at the rate of £4. 3s. 4d. per cent. per annum, and that the balance of £806. 0s. 5d. be carried forward. The new premises in Grey Street, Newcastle, have not been ready for occupation as soon as was expected; they are, however, now so near completion that it is intended to remove the head office on Monday, the 30th July; and it will be observed that the half-yearly meeting is advertised to be held there. No new branch has been opened during the past half-year, as it has been thought inadvisable to increase the number of branches during the present depression of business. The Directors have to report, with much regret, the death of Mr. Storer, many years general manager of the Alnwick and County Bank.

Dr. Balance-sheet, 30th June, 1877.

Capital:—39,360 Ordinary £20 shares, £6 paid, £236,100;					
1,000 deferred shares* £20,000	..	..	..	..	£256,100 0 0
Reserve fund	..	..	..	..	80,000 0 0
Deposits in anticipation of calls	..	..	..	..	10,532 0 0
Amount due on deposit and current accounts, and to correspondents	..	..	..	..	502,061 11 11
Profit and loss:—Balance at 30th December, 1876, £656. 6s. 4d.; net profit for half-year ending 30th June, 1877, as below £5,068. 9s. 1d.	..	..	..	..	5,724 15 5
					£854,418 7 4

Cr.

Government securities	..	..	..	..	£49,243 15 0
Railway debenture and preference stocks	..	..	..	..	41,485 0 9
Mortgages, railway stocks, and other securities	..	..	..	..	69,293 18 1
Bills discounted, loans to customers, &c.	..	..	..	..	563,773 13 0
Preliminary expenses*	..	..	..	..	20,000 0 0

* The deferred shares, bearing no dividend until after the ordinary shares have earned seven per cent. per annum, were given in full payment of preliminary expenses up to date of allotment, in terms of the agreement set out in the fourth Article of the Association.

Bank premises, furniture, and fixtures	..	..	..	36,062	11	11
Cash at head office and branches	..	..	..	74,559	8	7
				<u>£854,418</u>	<u>7</u>	<u>4</u>

Profit and Loss Account for the Half-year ending 30th June, 1877.

<i>Dr.</i>						
Current expenses	..	..	..	..	..	£6,729 19 8
Depreciation and goodwill	..	..	..	..	..	1,172 11 0
Rebate on bills not due	..	..	..	..	..	1,101 0 6
Balance, net profit	..	..	..	..	..	5,068 9 1
						<u>£14,072 0 2</u>
<i>Cr.</i>						
Gross profit after providing for bad and doubtful debts	..					<u>£14,072 0 2</u>

SHEFFIELD AND HALLAMSHIRE BANK.

REPORT of the directors to the forty-first annual general meeting of the shareholders, held 20th July, 1877, Mr. Joshua Smith in the chair.

Notwithstanding the continued depression of trade in the town and district the directors have the pleasure to report that in consequence of the increasing and satisfactory business of the bank the profits of the previous year have been maintained, and that in every respect the bank is in a sound and healthy condition. After payment of all the expenses of the bank, reserving rebate on bills not due, making ample provision for bad and doubtful debts, the net profits are £26,424. 17s. 2d. Out of this sum the following amounts have been paid, viz. :—£9,160 for dividend, at the rate of 10 per cent. per annum for the half-year ending 31st December, 1876; and £331. 12s. 6d. for income-tax, leaving a balance of £16,933. 4s. 8d. unappropriated. A dividend after the rate of 10 per cent. per annum for the half-year ending 30th June last, amounting to £9,160, is now declared, together with a bonus of £1 per share, making altogether 14 per cent. for the year; and the directors recommend that the remainder, £445. 4s. 8d., be added to the surplus fund, which will make that fund to stand at £56,124. 4s. 5d. The balance-sheet has been audited by the directors and found correct. The directors nominate William Cockayne, Esq., of Thorpe House, Norton Lees, as incoming director, in place of John Wm. Hawksley, Esq., of Clarkehouse Road, Sheffield, the retiring director. Many of the shareholders are no doubt aware that the directors have commenced to make important additions to the bank premises. These additions have become necessary in order to provide accommodation for the increased business of the bank. The directors have also established a fund to enable them to give assistance in sickness and to provide retiring allowances to deserving clerks, who, from increasing years or other causes, may become incapacitated for the efficient discharge of their duties. The directors consider that the establishment of this fund will be a source of encouragement to their officers and bind them more closely to the interests of the bank.

*General Balance of the Sheffield and Hallamshire Bank, 30th June, 1877.***LIABILITIES.**

<i>Dr.</i>						
Paid-up capital of £25 per share on 7,828 shares	..	..	..	..	..	£183,200 0 0
Surplus fund	..	..	..	..	..	56,124 4 5

Due by the bank on current accounts, deposit receipts (including interest to this day), notes in circulation, and rebate on bills in the bank	600,895 14 5
Dividend for the half-year, after the rate of 10 per cent. per annum, on paid-up capital of £183,200	9,160 0 0
Bonus of £1 per share on 7,328 shares, being 4 per cent. per annum on the paid-up capital.. .. .	7,328 0 0
	£856,707 18 10

ASSETS.

<i>Cr.</i>	
Cash in the bank, bills discounted, balances owing by customers, and other securities	£851,707 18 10
Bank premises and furniture	5,000 0 0
	£856,707 18 10

Profit and Loss, 30th June, 1877.

<i>Dr.</i>	
Dividend for the half-year ending 31st December, 1876, at the rate of 10 per cent. per annum on £183,200 paid-up capital	£9,160 0 0
Dividend for the half-year ending 30th June, 1877, at the same rate.. .. .	9,160 0 0
Bonus of £1 per share on 7,328 shares, being 4 per cent. per annum on the paid-up capital.. .. .	7,328 0 0
Income-tax	331 12 6
Balance carried down	56,124 4 5
	£82,103 16 11

<i>Cr.</i>	
Balance of unappropriated profits, 30th June, 1876	£55,678 19 9
Amount of profit after payment of expenses	26,424 17 2
	£82,103 16 11

Balance of unappropriated profits brought down, being surplus fund.. .. .	£56,124 4 5

It was unanimously resolved—

1st.—That the report and statement of the general balance, and profit and loss, which have been read, be approved by this meeting; and that the same be printed and a copy thereof sent to each shareholder.

2nd.—That William Cockayne, Esq., of Thorpe House, Norton Lees, be a director in the place of John Wm. Hawksley, Esq., of Clarkehouse Road, Sheffield, who this day retires from office in rotation.

3rd.—That the thanks of this meeting be given to the directors for their valuable services, and that the sum of £750 (free of income-tax) be presented to them from the funds of the company.

4th.—That the thanks of this meeting be given to the manager and to the other officers of the bank for their services during the past year.

5th.—That the thanks of this meeting be given to the chairman.

SHEFFIELD UNION BANKING COMPANY.

Report of the directors to the shareholders at their thirty-fourth annual general meeting, held 19th July, 1877, John Prown, Esq., in the chair.

The continued low value of money, and the great depression in trade throughout this district, have caused the profits of the bank to be somewhat less than those of last year; but notwithstanding these circumstances, your directors consider the results satisfactory. After payment of all the expenses of the bank, the income-tax, and providing for all the ascertained losses of the year, the profits amount to £20,313. 16s. 11d., of which the shareholders have already received, as an interim dividend of 5 per cent. (or at the rate of 10 per cent. per annum) the sum of £9,000, and another is now declared at the same rate, requiring £9,000—£18,000; leaving a balance of £2,313. 16s. 11d. to be added to the "surplus fund," which, with this addition, will amount to £54,047. 8s. 7d. The accounts and balance sheet have been audited by your directors and found correct. There has been a gratifying accession of new accounts during the year, and your directors anticipate a large increase of business on the revival of trade. To meet the requirements of the Sheffield Moor Branch, Brunswick House, at the junction of Cemetery Road and London Road, has been secured on lease for 21 years, and will be opened immediately. The Albion Steel and Wire Co., Limited, having gone into liquidation during the year, your directors fear, as a result of the stagnation of trade, the securities they hold, though previously considered ample, may not cover the indebtedness of the company to the bank; but any ultimate loss will be taken from the "surplus fund." The panic amongst the Building Societies has had a disturbing influence, but there is no reason to anticipate any loss. In accordance with the bank's trust deed all the directors now go out of office, and it is for this meeting to elect directors for the ensuing year. The present directors are eligible for re-election. Subjoined is the usual statement of assets.

General Balance Sheet, 30th June, 1877.

ASSETS.

<i>Dr.</i>		
Cash and bills on hand and balances due to the bank ..	£655,867	18 8
Freehold premises and furniture, at Sheffield, Retford, Rotherham and Penistone	15,200	0 0
	<u>£671,067</u>	<u>18 8</u>

LIABILITIES.

<i>Cr.</i>		
Capital, 15,000 shares at £12	£180,000	0 0
Surplus fund	51,733	11 8
Deposits and balances due by the bank	419,020	10 1
Profit for the year	20,313	16 11
	<u>£671,067</u>	<u>18 8</u>

The following resolutions were proposed and carried unanimously:—

- 1.—That the report now read be adopted and a copy sent to each shareholder.
- 2.—That the best thanks of the meeting be given to the Directors for their services during the past year.
- 3.—That Messrs. John Brown, Francis Ebenezer Smith, George Bassett, Joseph Hallam, and Francis Patrick Smith, be elected directors for the ensuing year.
- 4.—That the thanks of the meeting be given to the manager and the other officers of the bank for their services during the past year.
That the thanks of the meeting be given to the Chairman.

STOURBRIDGE AND KIDDERMINSTER BANKING COMPANY.

Report for the year ending 30th June, 1877, presented to the proprietors at the meeting held at Stourbridge, 9th August, 1877.

In presenting their forty-third annual report, the directors have to congratulate the proprietors on the continued and increasing prosperity of the bank. Notwithstanding the unusual depression, not only in the iron and coal trades, but also in the general trade of the country, the net profits of the past year, including the balance brought forward from last account, amount to £32,982. 7s. 5d. A dividend of 10s. per share and a bonus of 10s. per share, or after the rate of 20 per cent. per annum, free of income-tax, was declared in February last. Your directors recommend a like dividend and bonus for the present half-year. These will absorb £19,950, and leave £13,032. 7s. 5d. for disposal, which they further recommend should be appropriated as follows, namely, to carry £2,000 to "Building Redemption Fund," and £10,000 to a contingent reserve fund, and to carry forward the balance of £1,032. 7s. 5d. to next account.

30th June, 1877.

LIABILITIES.

<i>Dr.</i>									
Proprietors' capital	..	..	..	..	..	..	..	£100,000	0 0
Guarantee funds	..	..	..	..	..	..	..	100,000	0 0
Building redemption fund	..	..	..	..	..	..	..	5,000	0 0
Due on note account, drafts on agents, and to customers, including rebate on bills current									
	..	..	..	..	..	..	..	1,309,569	2 10
Balance	..	..	..	..	..	..	..	23,007	7 5
								£1,537,576	10 3

ASSETS.

<i>Cr.</i>									
Cash in hand and at call	..	..	..	..	..	..	..	£171,176	4 2
Consols	..	..	..	..	..	..	..	24,094	0 6
Bank and other premises	..	..	..	..	..	..	..	39,368	12 10
Bills discounted, loans to customers, and other securities	..	..	..	..	..	..	..	1,302,937	12 9
								£1,537,576	10 3

Profit and Loss Account.

<i>Dr.</i>									
Dividend of 10s. and bonus of 10s. per share, paid February last									
	..	..	..	..	..	..	..	£9,975	0 0
Dividend of 10s. and bonus of 10s. for present half-year									
	..	..	..	..	..	..	..	9,975	0 0
Building redemption fund	..	..	..	..	..	..	..	2,000	0 0
Contingent reserve fund	..	..	..	..	..	..	..	10,000	0 0
Balance	..	..	..	..	..	..	..	1,032	7 5
								£32,982	7 5
<i>Cr.</i>									
Balance from last account									
	..	..	..	..	..	..	..	£2,943	9 5
Net profits of the year									
	..	..	..	..	..	..	..	30,038	18 0
								£32,982	7 5

THE SWANSEA BANK, LIMITED.

REPORT for the half-year ending 30th June, 1877.

The directors beg to submit to the shareholders their report for the half-year ending 30th June. After payment of all expenses, and allowing for interest, rebate on bills not due, &c., there remains an available balance of £9,800. 4s. 11d., out of which the directors recommend an interim dividend at the rate of $7\frac{1}{2}$ per cent. per annum, free of income-tax, or, £7,546. 7s., the balance of £2,253. 17s. 11d. to be carried forward to next account. The general position of trade remains dull and depressed, but the board are enabled to report that the business of the bank continues to progress satisfactorily. The directors have pleasure in stating that Mr. Henry Crawshay has accepted the vacant seat at the board, to which he was elected at the last half-yearly meeting, in consequence of the lamented decease of Mr. Alfred Sterry. In conformity with previous arrangements Mr. Charles Price has assumed the Swansea sub-management, Mr. Albert E. Old replacing him in the management of the Llanelly branch.

Balance-sheet, 30th June, 1877.

<i>Dr.</i>		
Capital—28,748 shares, £7 paid	£201,236	0 0
Amount due on current deposit and other accounts	191,345	13 5
Unclaimed dividends	70	6 11
Rebate on bills not due	886	11 0
Reserve fund	35,000	0 0
Balance of profit and loss account, as per statement	9,800	4 11
	<u>£438,338</u>	<u>16 3</u>

<i>Cr.</i>		
Bank premises, furniture, &c.	£7,030	1 4
Bills discounted, current accounts, and other securities	398,224	11 0
Cash in hand and at bankers	33,075	3 5
	<u>£438,338</u>	<u>16 3</u>

Profit and Loss Account.

<i>Dr.</i>		
Salaries, taxes, stationery, printing, &c.	£2,424	12 3
Interest paid or accrued on deposit, current and other accounts, and London agents' commission	2,142	10 6
Rebate on bills discounted, not yet due	886	11 0
Balance	9,800	4 11
	<u>£15,253</u>	<u>18 8</u>

<i>Cr.</i>		
Balance of last profit and loss account brought forward	£1,357	2 7
Gross profits for the half-year	13,896	16 1
	<u>£15,253</u>	<u>18 8</u>

Reserve Fund.

<i>Dr.</i>		
Balance carried forward	£35,000	0 0
<i>Cr.</i>		
Balance of last account	£32,623	15 0
Sundries	2,376	5 0
	<u>£35,000</u>	<u>0 0</u>

Communications.

THE GILBERT LECTURES ON BANKING.

SIR,—Referring to the last number of your excellent magazine, I am pleased to learn that examinations in connection with the “Gilbert Lectures,” have recently been held in London, and it is gratifying to observe that they have been so largely attended. I think that bank officials in general, and especially those who have not been privileged to attend the lectures at King’s College, must feel deeply indebted to you for bringing the lectures before their notice; and I think it would be desirable if provincial examinations in connection therewith could be held at a convenient time after the publication of the lectures will be completed, in order that those at a distance might have the opportunity of testing their abilities and of obtaining prizes, certificates of distinction and merit, as the case might be, like their London *confrères*. I would beg to suggest that examinations should be held in the larger English towns, where several of the leading banks would doubtless be willing to contribute to the funds, and that in the smaller towns examinations should be conducted by means of printed papers, to be filled up at a certain time and place in presence of a gentleman specially appointed for the purpose.

Failing this, I am sure there are large numbers of my brother officials throughout the kingdom, having the interest of their honourable profession at heart, who would be highly gratified to be possessed of the questions constituting the examination.

I am, Sir, your obedt. Servant,

MONENSIS.

Douglas, Isle of Man, August 7th, 1877.

[“Monensis” will find the questions set in the Scotch Examinations in this month’s number. We shall have pleasure in placing before our readers, as far as the space at our disposal allows, any similar series which may be forwarded us.—Ed. B.M.]

BANKERS’ LICENCES.

SIR,—Will you kindly answer in your next issue whether a private individual starting a private bank has to take out any licence, and, if so, how much does it cost? and any other information with reference to the formation of a new bank will be deemed a great favour to a very old subscriber.

Yours truly,

JUNO.

[Bankers and joint-stock banks in England, Ireland and Scotland, authorised to issue bank notes, must take out annual licences, on which a duty of £30 is payable respectively. 55 Geo. III. c. 184, and 24 and 25 Vict. c. 91 s. 35, regulate the granting of these licences in England and Scotland. The Editor (Law Department) will be happy to furnish you with further information if you require it, upon your applying to him direct by letter.—Ed. (Law Department) B. M.]

BANK HOLIDAYS ACT, 1871.

SIR,—In Scotland, if a holiday falls on a market day, the banks keep open during the usual business hours, but no bills or drafts are presented for

payment or acceptance, or any notice of dishonour sent, but all other banking business is done. Is it legal to do any business on an Act day? An answer will be esteemed a favour.

Your obedient Servant, K.

[The Act is recorded in the volume of this Magazine for 1871, page 566. We do not consider that to carry on business at the time and in the manner you allege is in itself illegal, but it is possible that by doing so a banker might render himself liable for the non-performance of some act, the non-performance of which would not involve him in any liability if he did not transact any business on a bank holiday.—ED. (Law Department) B. M.]

EXAMINATIONS IN BANKING.

The Bank, Hednesford, Staff., August 10th, 1877.

SIR,—Will you be good enough to publish in your next issue the lists of questions set to the candidates at the recent examinations in practical subjects relating to banking in connection with the "Gilbart Lectures" and the Institute of Bankers in Scotland? I think they would prove both interesting and instructive to those who, like myself, are, by reason of their being resident in the country, precluded from attending the lectures or competing at the examinations.

Yours faithfully,

F. STANLEY HOOPER.

THE ACT OF 1844.

Union Bank, Sheffield, August 16th, 1877.

DEAR SIR,—I consider that Parliament ought to take some steps for the protection of the public with regard to the country issues. There is no doubt that when Sir Robert Peel framed the Act of 1844-1845, he looked at the question of the Bank of England (protected by the security given) to be the sole issuer for England; but I think that the Act has some very serious blunders, which I venture to point out. I am of opinion that for every note issued there ought to be a corresponding value; that is to say, that every bank ought to give security to the government for their issues. And then there is the question of the notes in their tills, because it is not supposed a banker has the whole of his issue out; would security be requisite for the whole amount of issue or only that part in circulation? There the difficulty becomes great; but I think a way of solving the matter would be to make the notes of all banks (presuming they stop payment) a charge on the estate before all the other creditors were paid. To my mind this would not be just; but if your correspondents have any other views, I should be glad to hear them through the medium of your Magazine. I am of opinion a joint-stock bank of issue ought to be able to buy a private bank's issue (a private bank can buy the issue of a joint-stock bank: of course this would not happen in twenty years, but still it is not equitable), because the private bank cannot obtain so much for their business if they wish to sell. Another serious drawback to the Act is that the average of circulation is now taken every month. I should suggest three months, because when local issues circulate up to their limit, it is a serious drawback to have all at once to draw their issue in or lose a considerable sum of money, which no bank would care to do. If the time were extended there would not be such a danger of the banks going over their tether.

Your obedient servant,

D. LAWSON BROWN.

Monthly Notes.

Messrs. Morton, Rose & Co. offer for subscription £850,000 Five per Cent. Sterling Mortgage Bonds of the Great Northern Railway Company of Canada, at the issue price of 90 per cent. The issue is made under "the Northern Railway Company Act of 1877," and is for the purpose of liquidating various existing debts. It does not therefore add to the burdens of the company, but will form a primary charge on its revenues, the other capital being second and third preference bonds for £383,000 on which interest is paid, £150,000 Six per Cent. Preference Stock unissued, and a "fully paid" share capital of £163,040. The bonds, which are for £100 and £500, will be to bearer, but may be registered in holders' names if desired.

The prospectus is issued of the London Bank of Oregon (Limited). The nominal capital is set down at £400,000 in £10 shares, but only £200,000 will be offered now, and the shares will be fully called up. At present the State of Oregon, which has a population of about 160,000, the prospectus states, has only three banks—two American and a branch of an English bank.

The bullion department of the Bank of England has recently received an important addition to its weighing facilities, the invention of Mr. James Murdoch Napier, of the firm of Messrs. D. Napier & Son, engineers, Lambeth. Water power is used, and the touching of two buttons causes the machine to weigh and indicate the weight, and to make ready for the next weighing. The motive speed is suited to the oscillations of the beam, and the extent of the oscillation, which is due to the excess in the load over the counterpoise, is indicated on a dial; this excess, added to the sum of the weights supplanted when the load is placed, is its weight.

The National Bank of Australasia is authorised to receive tenders for South Australian Government Securities to the nominal value of £500,000. A total amount of £2,188,500 was authorised by the South Australian Government in 1876, and of that total this issue is the second instalment. The bonds will be for £1,000, £500, £200, and £100, and will bear interest at 4 per cent.

Mr. E. J. Watherston writes:—"Some little time ago I endeavoured to show the depressing effect of the duty of 1s. 6d. per ounce upon manufactured articles of silver plate. From the Revenue returns to March 31, 1877, I find that there has been a further fall in the number of ounces upon which duty was paid. The figures for the last 22 years are deserving of consideration. In the year ending March 31, 1855, duty was paid upon 994,360 ounces; in 1857 the amount fell to 930,707 ounces; in 1861 to 893,493 ounces; in 1875 to 886,493; in 1876 to 870,507; and in 1877 to 798,206 ounces. It thus appears that, in the face of greatly-increased national wealth, the trade of the silversmith has decreased by the amount of about 196,154 ounces, representing a wholesale trade of about £100,000 per annum. If anything were required to prove the depressive effect of the tax, which, in the case of silver spoons and forks, amounts to 20 per cent., and of articles of daily use, such as tea sets, cruet-stands, and waiters, to 12½ per cent., it may be found in the figures above stated. The tax

is depressive to trade, obstructive to art progress, an insurmountable obstacle to technical education, and subversive of the principles of modern legislation."

An interim dividend of £1 per share is announced by the Cumberland Union Bank, carrying forward £4,215. Reserve, £85,000.

The directors of the Merchant Banking Company of London have declared their usual interim dividend at the rate of 8 per cent. per annum.

At the half-yearly meeting of the Northern Counties Bank, a dividend at the rate of 5 per cent. per annum was declared. £500 was carried forward, and the balance added to reserve.

The directors of the Manchester and Liverpool District Bank announce for the past half-year a dividend of 15s. per share, and a bonus of 6s. per share.

Creditors of the International Bank, Limited, are to send in their claims to Mr. S. Gray, of 5, Nicholas Lane, E.C., one of the voluntary liquidators, by 1st January, 1878.

The directors of the Wolverhampton and Staffordshire Banking Company have declared an interim dividend at the rate of 10 per cent. per annum for the half-year ended June 30.

BANK MOVEMENTS.

MR. FRANCIS C. C. BARNETT, second son of Mr. Charles Barnett, of King's Beeches, Sunningdale, and 60, Lombard Street, has joined the firm of Messrs. Stephens, Blandy & Co., Bankers, Reading.

MONTHLY CHRONOLOGY.

July 27.—The Secretary of the United States Treasury has called in \$10,000,000 of Five-Twenty Bonds.

Aug. 1.—In Committee on the South Africa Bill, the House of Commons sat till 6.10 p.m. continuously from meeting on the previous day.

2.—The Bank of Bengal have raised their rate 1 per cent., the rate being now 6 per cent.

4.—To-day being a Bank Holiday, all places of business in the City have been closed.

9.—A public meeting, at which the Duke of Buckingham presided, was held at Madras, to consider what steps should be taken for securing help from England for the sufferers by the famine.

14.—Efforts are being made in various parts of the United States to form a Working-men's Political Party, independent of either regular party.

21.—The Convention relative to the entry of Persia into the International Postal Union from the 1st of September was signed at Berne to-day.

TENDERS FOR BILLS ON INDIA.

Tenders for £265,000 India Council drafts were received 25th July at the Bank of England. The allotments were:—To Calcutta, £176,500, average rate 1s. 4·80d.; to Bombay, £88,500, average rate 1s. 8·875d. Applications for bills on both Presidencies at 1s. 8½d. per rupee received 29 per cent., and for telegraphic transfers at 1s. 8½d. per rupee, in full; all above in full.

Tenders for £265,000 India Council drafts were received at the Bank of England, 1st August. The amount allotted to Calcutta was £165,000 at an average rate of 1s. 8·78d., and to Bombay £100,000 at an average rate of 1s. 8·77d. Tenders on the former Presidency for bills only at 1s. 8½d. will receive about 61 per cent., and on Bombay, also for bills only, at that price about 50 per cent.; all above in full.

Of the Tenders for £265,000 in bills and telegrams on India which were received at the Bank of England, 8th August, £163,872 was allotted to Calcutta, at an average rate of 1s. 8·786d.; £100,000 to Bombay, at an average rate of 1s. 8·875d.; and to Madras £1,628 at an average rate of 1s. 8·937d. Tenders on Calcutta and Madras for bills at 1s. 8½d. will receive about 77 per cent.; above that price in full. On Bombay the 1s. 8½d. rate secures allotment in full.

At the Bank of England, 15th August, the tenders for £265,000 in bills and telegrams on India were received. The amounts allotted were:—To Calcutta, £165,000, at an average rate of 1s. 8·786d.; and to Bombay, £100,000, at an average rate of 1s. 8·75d. Tenders on Calcutta for bills at 1s. 8½d. will receive about 10 per cent., everything else in full; on Bombay for bills only at that price about 33 per cent.

MERCANTILE EMBARRASMENTS.

Circulars have been issued convening a preliminary meeting of the creditors of Mr. W. Watts, trading as B. H. Harris and Co., of the Parade, Birmingham, metal rollers and metal merchants. The liabilities are estimated at £80,000.

A petition for liquidation or composition has been filed on behalf of Eccles, Shorrocks, Brothers & Co., of Over Darwen, cotton spinners and manufacturers, liabilities £110,000, assets unascertained.

Messrs. Crabtree Brothers, carpet and rug manufacturers, Kidderminster, have issued a circular to their creditors, announcing inability to meet their engagements. The liabilities amount to £46,000.

Monetary Review.

THE tendency of the money market early in the month took a decided turn upwards. Several circumstances acted at the moment to promote tightness and indisposition to part with funds in hand so readily and at such insignificant rates as had previously been the case; the fortuitous circumstance of the 4th of the month being followed by the Bank Holiday, brought forward more bills to be discounted for the time being. This demand, however, was but of a temporary nature, and would not of itself alone continue to influence the rate of discount, its range being confined to the period of its

immediate activity. Rates for money continued, however, to improve, and a further cause for this was not far to seek ; the reserves of the Bank of England had been considerably drawn upon, the deposits having materially shrunk within a few weeks, thereby showing that the market supply of money was the reverse of being in excessive abundance ; nevertheless, it must not be supposed that the ordinary demand had outrun the supply requisite for immediate wants, inasmuch as short loan requirements met with response on very easy terms, whereas it was the long-dated commitments which, on the other hand, had to be paid for at increased prices. Another item in determining the question we are discussing, was that of the supply and demand of gold in relation to the Bank's reserve ; this, indeed, came to be the principal factor in considering the course of money rates. The already attenuated condition of the reserve of gold in the Bank, with continual withdrawals taking place, at a period, too, when domestic requirements are liable to increase, naturally induced the brokers and other lenders to tighten their hands, under the supposition that there must soon be a rise in the authorised rate of discount. The conviction that this would be the case grew as the month wore on, and became so strong previously to the Court Meeting of the Bank on the 16th, that the minimum outside rate tied with the Bank's, and a good deal of activity having arisen from the desire to get accommodation in anticipation of the expected rise, the Bank itself came in for a good stroke of discount business. The Bank, at its weekly meeting, had to decide the question of the rate, and its anomalous position in regard to that function was, in this instance, very clearly exemplified ; on one hand it was called upon to protect its reserve, on the other hand it had to look after its legitimate business profits arising from the discount of bills. A rise in the rate, which was required to attain one object in view, would probably have resulted in the loss of the other, and so the Bank, at its meeting on the 16th August, did not raise its rate ; consequently outside rates, which had gone up in anticipation of a contrary decision, again drooped below the level of 2 per cent. retained by the Bank.

Owing to a temporary reflux of notes from the provinces, the Bank has been enabled to tide over a short interval without raising its minimum rate for the purpose of maintaining its reserve, but, should the withdrawals of gold for abroad continue, prompt action will probably need to be taken by the authorities in order to check

the out-flow and save the only available supply of gold from receding to a point which would cause uneasiness.

Business doing in the Stock markets this month has been of small volume. Under ordinary circumstances the month of August is a period of quietude on the Stock Exchange, owing to the prevalence of absenteeism amongst the members on their holiday engagements; still, the month opened with a tendency to keep up prices in the markets generally. Whatever the nature of political rumours, or the character of the events which occurred in the theatre of war, the disposition was to get over any temporary depression and to take a more hopeful view of the future, cheap money acting no doubt as an important factor in determining this result.

Russian stocks afforded an exception to the general rule amongst speculative securities; the Turkish successes encouraged speculators in persistently selling these stocks.

Bank shares maintained their prices generally; a fall occurred, however, in Bank of Egypt and Bank of British North America.

English Railway stocks were in favour, the dividends being considered as good as could be expected, whilst the limited area of safe investments usually gives a degree of steadiness to this market. Consols mark a distinct rise on the month; the continuance of cheap money naturally tends to keep up the price here. The same remark applies also to Indian Guaranteed Railway securities and United States Government Bonds.

Upon the whole a better disposition to buy pervades the markets, and with a good harvest got in and the return from holiday making, an improvement may become more marked by and by, though the apparently impending rise in the rate of money, which does not at present appear to have been discounted, may come into play in determining the immediate course of prices.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to the Proprietors, Waterlow & Sons Limited, 25, Great Winchester Street, London, who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1876.	£	£	%	£	£	£
Nov. 1	28,782,855	32,190,735	112	17,008,228	16,639,956	5,781,462
8	28,504,940	31,019,690	109	16,308,228	16,538,345	5,666,471
16	28,037,050	30,248,020	108	15,739,297	16,502,061	5,566,667
22	27,802,905	29,643,670	107	15,739,297	16,542,567	6,037,391
29	27,554,155	28,623,170	104	15,739,297	16,752,031	6,538,842
Dec. 6	27,612,925	28,544,460	103	15,832,797	17,102,566	6,398,081
13	27,196,160	28,199,140	104	15,833,004	17,017,236	7,231,822
20	27,460,980	28,082,925	102	15,934,208	17,083,627	7,785,933
27	27,898,255	27,810,945	100	15,958,653	17,618,852	8,173,488
1877.						
Jan. 3	28,622,775	27,533,430	96	15,969,162	19,582,320	6,203,440
10	28,302,820	27,351,155	96	18,766,486	17,516,675	4,373,157
17	28,037,420	26,484,920	94	18,267,876	17,676,106	3,955,536
24	27,638,950	26,319,380	95	17,317,876	17,762,841	4,101,623
31	27,692,885	26,650,241	97	16,367,876	17,732,917	4,837,165
Feb. 7	27,814,430	25,624,520	92	16,001,441	17,787,156	5,613,338
14	27,541,435	25,590,545	93	16,001,441	17,818,123	6,632,609
21	27,177,240	25,824,255	95	16,026,176	17,576,949	6,867,731
28	27,216,605	26,010,290	96	16,026,176	19,071,302	7,215,293
Mar. 7	27,347,790	25,510,290	93	15,988,176	19,049,118	8,295,675
14	27,058,190	25,554,275	94	15,998,532	19,103,570	8,695,941
21	26,961,195	25,495,540	94	16,002,035	19,344,179	8,883,936
28	27,982,640	25,742,035	92	15,502,035	23,766,279	11,530,029
April 4	28,412,165	25,283,790	89	15,308,096	22,854,102	9,916,041
11	28,566,345	25,081,145	88	15,319,338	19,514,925	6,835,131
18	28,415,030	25,175,295	88	15,329,901	19,490,216	6,457,402
25	28,385,890	24,835,320	88	15,329,901	19,269,702	6,473,216
May 2	29,077,985	24,228,650	83	15,340,207	20,482,345	6,315,550
9	28,546,885	23,972,650	84	15,348,494	19,646,733	6,638,594
16	28,479,010	23,981,900	84	15,364,904	19,365,162	6,577,403
23	28,065,055	24,000,705	85	15,364,904	19,347,395	6,415,539
30	27,955,420	24,021,990	86	15,334,904	19,082,728	6,523,808
June 6	28,035,185	24,444,240	87	15,214,859	19,379,635	7,243,548
13	27,729,660	24,832,340	89	15,214,859	18,663,592	7,914,651
20	27,406,290	25,693,950	94	15,214,859	18,444,770	8,133,581
27	27,994,045	25,910,475	93	15,214,859	18,510,050	8,760,469
July 4	28,774,340	26,076,865	90	14,989,321	20,429,201	5,727,684
11	28,767,460	26,746,945	93	16,089,088	18,289,670	3,761,325
18	28,598,090	26,776,435	94	15,889,088	18,249,551	5,351,334
25	28,460,275	26,246,585	92	14,989,088	18,179,006	4,904,907
Aug. 1	28,758,360	25,936,465	90	15,240,605	18,445,792	5,369,654
8	28,898,755	25,358,950	88	14,990,554	18,027,819	5,276,390
15	28,546,860	24,692,600	86	14,990,554	18,271,813	4,604,066
22	28,203,210	24,423,960	87	14,990,554	18,196,144	4,295,440

For the corresponding statement, from January to October, 1876, see page 343 of "The Banking Almanac" for 1877.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount.
1876.	£	£	£	£	%	
Nov. 1	29,103,020	366,409	35,260,891	19,218,686	54	2
8	27,393,442	369,778	33,429,691	18,200,927	54	—
15	26,542,056	380,328	21,489,051	17,870,258	55	—
22	25,914,347	360,080	32,311,818	17,653,891	54	—
29	24,916,197	348,338	31,803,377	16,902,034	53	—
Dec. 6	25,427,699	311,946	32,137,726	16,787,290	52	—
13	24,505,696	334,620	32,072,038	16,809,930	52	—
20	23,634,924	321,397	31,742,254	16,315,553	52	—
27	22,875,678	299,153	31,348,317	15,467,179	49	—
1877.						
Jan. 3	25,936,786	328,619	32,468,845	14,591,390	45	—
10	28,385,591	381,955	33,140,703	14,694,912	44	—
17	28,086,715	349,136	32,391,387	14,317,794	44	—
24	27,365,718	331,834	31,799,175	14,591,076	46	—
31	25,146,245	315,669	30,299,079	14,057,356	46	—
Feb. 7	23,520,174	329,031	29,462,543	13,562,473	46	—
14	22,890,468	297,860	29,820,937	13,896,824	47	—
21	23,152,710	280,370	30,290,811	14,581,064	48	—
28	24,039,409	258,794	31,513,496	14,704,822	47	—
Mar. 7	22,235,162	302,062	30,832,899	14,086,465	45	—
14	22,289,135	264,315	31,249,391	14,441,048	46	—
21	22,264,911	267,221	31,416,068	14,375,131	45	—
28	22,615,486	304,262	34,449,777	13,481,652	39	—
April 4	22,215,615	300,812	32,432,468	12,572,518	39	—
11	22,430,616	367,973	29,633,720	12,418,314	42	—
18	23,190,134	329,403	29,976,939	12,779,964	43	—
25	22,477,887	318,512	29,269,615	12,294,320	42	—
May 2	22,480,099	337,059	29,132,708	10,926,636	37	3
9	21,682,317	344,820	28,665,731	11,290,854	39	—
16	21,703,571	333,520	28,614,494	11,514,653	40	—
23	22,167,827	288,726	28,872,092	11,789,442	40	—
30	22,141,497	254,898	28,920,203	12,053,767	41	—
June 6	21,702,873	253,096	29,199,517	12,189,816	41	—
13	21,138,081	269,761	29,322,493	13,031,796	44	—
20	21,888,742	257,035	30,279,358	14,209,534	47	—
27	20,957,739	241,753	31,969,961	13,832,353	43	—
July 4	24,894,691	286,179	30,908,554	13,174,000	43	2½
11	26,371,322	309,859	30,442,506	13,911,797	46	2
18	24,632,345	305,975	30,289,654	14,031,602	46	—
25	23,659,007	288,053	28,861,967	13,569,230	47	—
Aug. 1	23,079,821	313,426	28,762,901	12,983,171	45	—
8	21,640,789	361,151	27,278,330	12,172,803	45	—
15	22,462,403	340,925	27,407,394	12,060,017	44	—
22	22,771,398	327,893	27,394,731	12,119,949	44	—

For the corresponding statement, from January to October, 1876, see page 343 of "The Banking Almanac" for 1877.

PUBLIC INCOME AND EXPENDITURE.

The following are the receipts into and payment out of the Exchequer between April 1, 1877, and August 18, 1877 :—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1877-78.	Total Receipts into the Exchequer from April 1, 1877, to Aug. 18, 1877.	Total Receipts into the Exchequer from April 1, 1876, to Aug. 18, 1876.
Balance, April 1, 1877.	£	£	£
Bank of England	—	4,816,797	3,826,896
Bank of Ireland	—	1,172,853	1,292,691
		5,988,650	5,119,587
REVENUE.			
Customs	19,850,000	7,198,000	7,199,000
Excise	27,500,000	10,010,000	10,076,000
Stamps	10,920,000	4,337,000	4,247,000
Land Tax & House Duty	2,560,000	631,000	535,000
Property and Income Tax	5,540,000	1,247,000	889,000
Post Office	6,100,000	2,539,000	2,401,000
Telegraph Service	1,300,000	520,000	490,000
Crown Lands	410,000	135,000	135,000
Interest on advances for Local Works and on Purchase Money of Suez Canal Shares	949,000	396,191	272,994
Miscellaneous	3,891,000	1,476,673	1,600,158
Revenue	79,020,000	28,489,864	27,845,152
Total, including balance		34,478,514	32,964,739
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)		—	700,000
Advances under various Acts, repaid to Exchequer		610,862	629,734
Money raised for Fortifications & Military Barracks		500,000	250,000
Ditto Local Loans, by Exchequer Bonds		—	500,000
Ditto ditto Treasury Bills		1,639,000	—
Temporary Advances not repaid		—	100,000
Totals	£	37,228,376	35,144,473

EXPENDITURE AND OTHER PAYMENTS.

EXPENDITURE.	Estimate for the Financial Year 1877-78.	Total Issues out of Exchequer to meet Payments from April 1, 1877, to Aug. 18, 1877.	Total Issues out of Exchequer to meet Payments from April 1, 1876, to Aug. 18, 1876.
	£	£	£
Permanent charge of Debt	*28,000,000	13,189,442	13,044,169
Interest on Temporary Loans for Local Works, and Interest, &c., on Exchequer Bonds (Suez)	*420,000	44,084	21,875
Other charges on Consolidated Fund	*1,600,000	680,715	734,609
Supply Services	†49,125,000	18,125,685	18,001,703
Estimate	79,145,000		
Expenditure		32,039,926	31,802,356
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		1,495,418	1,555,355
Expenses of Fortifications and Military Barracks		500,000	—
Exchequer Bills paid off		3,700	76,300
Treasury Bills ditto		1,639,000	—
		35,678,044	33,434,011
Balances on August 18, 1877 :—			
Bank of England		985,537	1,063,996
Bank of Ireland		564,795	656,466
Totals	£	87,228,376	85,144,473

BANK OF FRANCE.

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DEBTOR.

	July 26.		Aug. 2.		Aug. 9.		Aug. 16.	
	F.	C.	F.	C.	F.	C.	F.	C.
Capital of the Bank ...	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54
Reserve of the Bank and its branches ...	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14
Reserve of landed property ...	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Special Reserve ...	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Notes in circulation ...	2,418,169,505	0	2,425,283,165	0	2,384,760,255	0	2,379,486,575	0
Bank-notes to order and receipts payable at sight ...	53,684,268	84	4 518,519	43	56,777,370	81	58,085,871	20
Treasury account current, creditor ...	159,463,247	26	162,280,951	99	181,637,880	61	217,835,089	4
Current accounts, Paris Do., branch banks ...	466,784,894	41	428,484,727	33	426,234,250	13	421,864,304	97
Dividends payable ...	3,406,922	0	2,954,627	0	41,207,197	0	46,761,533	0
Interest on securities transferred or deposited ...	4,682,231	86	4,523,346	68	4,719,424	20	4,229,047	96
Discounts and sundry interests ...	1,156,564	94	1,385,800	72	1,615,725	33	2,065,201	98
Re-discounted the last six months ...	1,271,342	98	1,271,342	98	1,271,342	98	1,271,342	98
Bills not disposable ...	4,034,919	2	5,315,503	1	2,262,962	54	7,096,366	85
Reserve for eventual losses on prolonged bills	6,897,164	82	6,897,164	82	6,897,164	82	6,897,164	82
Sundries ...	14,037,203	23	15,961,976	75	13,973,668	60	13,971,247	56
Total ...	3,398,451,876	3	3,386,779,110	39	3,355,563,401	70	3,380,575,755	4

CREDITOR.

	July 26.		Aug. 2.		Aug. 9.		Aug. 16.	
	F.	C.	F.	C.	F.	C.	F.	C.
Cash in hand and in branch banks ...	2,208,067,553	61	2,192,621,331	41	2,189,541,274	22	2,212,612,763	19
Commercial bills overdue ...	736,388	12	646,013	75	152,527	88	1,625,972	68
Commercial bills discounted, not yet due	172,121,444	12	158,167,480	11	161,668,943	96	155,680,550	52
Treasury bonds ...	338,845,000	0	338,845,000	0	338,845,000	0	338,845,000	0
Commercial bills, branch banks ...	254,330,108	0	267,595,594	0	237,688,763	0	245,910,756	0
Advances on deposits of bullion ...	12,889,300	0	13,451,100	0	13,617,800	0	14,230,400	0
Do. in branch banks ...	4,978,000	0	5,013,100	0	5,069,600	0	5,339,500	0
Do. in French public securities ...	34,702,200	0	35,238,700	0	35,072,100	0	38,070,000	0
Do. by branch banks ...	26,241,650	0	26,000,750	0	25,806,150	0	25,628,750	0
Do. on railway shares and debentures ...	20,542,000	0	20,640,900	0	20,506,100	0	20,433,200	0
Do. by branch banks ...	16,629,700	0	16,487,700	0	16,414,800	0	16,394,200	0
Do. on Crédit Foncier bonds ...	1,802,800	0	1,524,600	0	1,516,100	0	1,520,500	0
Do. branches ...	892,800	0	881,900	0	901,600	0	890,200	0
Do. to the State (Convention June 10, 1857)	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0
Government stock reserve ...	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14
Do. disposable ...	81,998,823	79	81,998,823	79	81,998,823	79	81,998,823	79
Rentes Immobiliées (Law of June 9, 1857)	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
Hotel and furniture of the Bank, and landed property of branches	9,156,291	0	9,156,290	0	9,156,291	0	9,199,481	0
Expenses of management ...	1,066,909	50	1,789,551	49	1,861,578	99	1,957,483	12
Employ of the Special Reserve ...	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Sundries ...	33,677,457	75	31,749,525	25	30,775,198	82	35,327,424	60
Total ...	3,398,451,876	3	3,386,779,110	39	3,355,563,401	70	3,380,575,755	4

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1877. July 26.	1877. Aug. 1.	1877. Aug. 8.	1877. Aug. 15.	1877. Aug. 22.
	£	£	£	£	£
Notes issued	41,246,585	40,936,465	40,368,950	39,692,900	39,433,990
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,984,900	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion	26,246,685	25,936,465	25,368,950	24,692,900	24,433,990
Silver Bullion					
	41,246,585	40,936,465	40,368,950	39,692,900	39,433,990

BANKING DEPARTMENT.

	1877. July 26.	1877. Aug. 1.	1877. Aug. 8.	1877. Aug. 15.	1877. Aug. 22.
	£	£	£	£	£
Proprietors' capital	14,553,000	14,553,000	14,553,000	14,553,000	14,553,000
Reserve	3,332,367	3,353,667	3,359,846	3,361,990	3,358,916
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts)... ..	4,904,907	5,399,654	5,276,390	4,604,086	4,295,440
Other deposits	23,659,007	23,079,821	21,640,789	22,462,403	22,771,396
Seven day and other bills	286,063	813,436	361,151	340,925	327,693
	46,737,324	46,699,569	45,191,176	45,322,384	45,306,647
Government Securities	14,999,093	15,240,805	14,990,554	14,990,554	14,990,554
Other Securities	18,179,006	18,445,792	18,027,819	18,271,813	18,196,144
Notes... ..	12,793,810	12,173,106	11,480,195	11,145,740	11,230,750
Gold and Silver coin	783,920	906,066	712,008	914,277	899,199
	46,737,324	46,699,569	45,191,176	45,322,384	45,306,647

THE EXCHANGES.

	July 27.	Aug. 3.	Aug. 10.	Aug. 17.	Aug. 24.
Amsterdam, short	12 2½	12 2½	12 2½	12 2½	12 2½
Ditto 3 months	12 4	12 4	12 4	12 4	12 4
Rotterdam, ditto	12 4	12 4	12 4	12 4	12 4
Antwerp and Brussels, ditto	25 37½	25 35	25 35	25 35	25 35
Paris, short	25 22½	25 22½	25 20	25 20	25 20
Ditto 3 months	25 32½	25 32½	25 32½	25 32½	25 32½
Marseilles, ditto	25 32½	25 32½	25 32½	25 32½	25 32½
Hamburg, ditto	20 63	20 63	20 63	20 63	20 63
Berlin, ditto	20 63	20 63	20 63	20 63	20 63
Leipzig, ditto	20 63	20 63	20 63	20 63	20 63
Frankfort-on-the-Main, ditto	20 63	20 63	20 63	20 63	20 63
Petersburgh, ditto	24½	24½	24½	24½	24½
Copenhagen, ditto	18 60	18 60	18 55	18 60	18 60
Vienna, ditto	12 62½	12 57½	12 50	12 35	12 35
Trieste, ditto	12 65	12 57½	12 50	12 35	12 35
Zurich and Basle, ditto	25 40	25 40	25 40	25 40	25 40
Madrid, ditto	47½	47½	47	47	46½
Cadix, ditto	48	48	47½	47½	47½
Seville, ditto	48	47½	47½	47½	47½
Barcelona, ditto	48	47½	47½	47½	47½
Malaga, ditto	47½	47½	47½	47½	47½
Granada, ditto	47½	47½	47½	47½	47½
Santander, ditto	48	48	47½	47½	47½
Bilbao, ditto	48	48	47½	47½	47½
Zaragoza, ditto	47½	47½	47½	47½	47½
Genoa, Milan, Leghorn, ditto	28 12½	28 7½	28 5	27 95	27 95½
Venice, ditto	28 12½	28 7½	28 5	27 95	27 95½
Naples, ditto	28 12½	28 7½	28 5	27 95	27 95½
Palermo and Messina, ditto	28 12½	28 7½	28 5	27 95	27 95½
Lisbon, 60 days	52	51½	51½	51½	51½
Oporto, ditto	53	51½	51½	51½	51½
Rio Janeiro, 60 days	...	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 6½	3 17 9½	3 17 10	3 17 10	3 17 10
Mexican Dollars	0 4 6½	0 0 0	0 0 0	0 4 6½	0 4 6½
Silver in Bars (Standard)	0 4 6½	0 4 6	0 4 6½	0 4 6½	0 4 6½

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
"	207 Private Banks	5,153,407
"	72 Joint Stock Banks	3,495,446
Scotland—	12 Joint Stock Banks	3,087,209
Ireland—	6 Joint Stock Banks	6,854,494

£32,090,556

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£475,000
1861—July 10th	175,000
1866—Feb. 21st	850,000

1,000,000£33,090,556

Deduct Lapsed Issues—

England—	*91 Private Banks	£1,434,261
"	20 Joint Stock Banks	907,895

Scotland— 1 Joint Stock Bank, combining two issues,
namely:—

Ayrshire Bank	£53,656
Western Bank of Scotland	284,282

337,9382,680,094£30,410,462

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
"	*110 Private Banks	3,719,146
"	52 Joint Stock Banks	2,587,551
Scotland—	†11 Joint Stock Banks	2,749,271
Ireland—	6 Joint Stock Banks	6,854,494

£30,410,462

*NOTE.—The number of Private Banks authorized to issue their own notes

in England, by the Act of 1844, was	207
Diminished in number by amalgamation	6
Lapsed Issues	91

97110† The number of Banks authorized to issue their own notes in Scotland, by
the Act of 1845, was

Diminished in number by amalgamation	6
Lapsed Issues, as stated above	2

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NOTE.—The issues of the following two Private Banks ceased on 30th June, 1877, in consequence of the firms having joined to form Crompton and Evans' Union Bank, Limited,
viz.:—The Derby Bank (Messrs. Evans & Co.) fixed issue £13,352
The Derby Old Bank (Messrs. Crompton, Newton & Co.) fixed issue 27,337

ENGLISH FUNDS.

	Price on Aug. 24.	Highest.	Lowest	Price on July 24.
Consols	95½	95½	94½	94½
Exchequer Bills	..	14/ pm.	3/ pm.	13/ p.m.

Bank Rate of Discount 2 per cent.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		July 14.	July 21.	July 28.	Aug. 4.
1 Ashford Bank	£ 11,849	£ 10,040	£ 10,267	£ 10,416	£ 10,295
2 Aylesbury Old Bank	48,461	19,480	19,375	20,160	19,871
3 Baldock and Biggleswade Bank	37,223	14,180	14,324	14,654	15,650
4 Barnstaple Bank	17,182	8,368	8,405	8,349	8,245
5 Bedford Bank	34,218	26,420	25,991	25,738	25,927
6 Bicester and Oxfordshire Bank.....	27,090	18,485	18,540	18,533	18,214
7 Boston Bank—Garfit and Co.	75,069	46,681	47,917	46,355	45,058
8 Broseley and Bridgnorth Bank.....	26,717	10,570	11,212	11,518	11,448
9 Buckingham Bank	29,657	17,157	17,757	16,798	16,818
10 Bury and Suffolk Bank	82,362	33,790	33,285	35,129	33,467
11 Banbury Bank	43,457	19,360	19,485	19,668	19,693
12 Banbury Old Bank	55,153	18,385	18,404	18,412	18,063
13 Bedfordshire Leighton Buzzard Bk. .	36,829	30,879	30,381	30,702	30,846
14 Brecon Old Bank	68,271	28,409	27,934	26,955	26,229
15 Brighton Union Bank	33,794	21,932	21,367	20,690	20,523
16 Burlington and Driffield Bank	12,745	11,896	11,877	12,353	11,789
17 Bury St. Edmunds Bank	3,201	1,768	1,701	1,653	1,620
18 Cambridge Bank—Mortlock & Co.	25,744	14,419	13,206	12,571	11,882
19 Cambridge and Cambridgeshire Bank	49,916	40,099	40,441	40,320	38,974
20 Canterbury Bank	33,671	19,586	18,425	17,797	17,840
21 Colchester Bank	25,082	11,546	11,562	11,091	11,390
22 Colchester and Essex Bank	48,704	23,668	23,547	23,615	23,452
23 Cornish Bank	49,869	24,683	24,831	23,612	23,745
24 City Bank, Exeter	21,527	12,901	12,988	12,454	12,076
25 Craven Bank—Birkbeck and Co.	77,154	72,360	72,580	73,969	73,625
26 Derby Old Bank	27,287	23,724	22,606	23,295	22,743
27 Devises and Wiltshire Bank	20,674	5,247	4,753	4,410	4,384
28 Darlington Bank	86,218	80,713	82,695	84,185	83,154
29 Devonport Bank	10,664	4,103	4,183	4,854	4,289
30 Dorchester Old Bank	48,807	32,929	34,078	34,076	34,657
31 East Cornwall Bank	112,280	90,010	92,570	91,901	89,619
32 East Riding Bank	53,392	54,855	51,317	51,249	50,269
33 Essex Bk. and Bishop's Stortford Bk.	69,637	35,689	35,392	35,120	35,695
34 Exeter Bank	37,894	16,095	15,000	13,972	14,759
35 Farnham Bank	14,202	5,558	5,767	5,743	5,600
36 Faversham Bank	6,681	4,947	4,923	5,015	4,713
37 Godalming Bank	6,322	5,904	6,227	6,217	6,074
38 Guildford Bank	14,524	10,240	10,229	10,530	10,374
39 Grantham Bank—Hardy and Co.	80,372	14,834	14,303	13,996	13,909
40 Hull and Kingston-upon-Hull Bank. .	19,979	20,252	20,281	19,406	19,032
41 Huntingdon Town and County Bank	56,591	17,160	16,591	16,706	16,973
42 Harwich Bank	5,778	4,197	4,250	4,123	4,300
43 Hertfordshire, Hitchin Bank	38,764	30,771	29,676	29,173	28,141
44 Ipswich Bank	21,901	15,294	15,118	15,444	15,894
45 Ipswich and Needham Market Bank .	80,699	42,870	43,199	43,934	43,779
46 Kentish Bank—Mercers and Co.	19,895	14,922	14,746	15,050	15,201
47 Kingston and Radnorshire Bank	26,050	16,002	15,486	16,217	16,648
48 Knaresborough Old Bank	21,825	18,032	17,489	17,268	16,598
49 Kendal Bank	44,663	41,604	39,620	41,677	40,560
50 Leeds Bank	130,757	119,070	120,467	121,548	119,875
51 Leeds Union Bank	37,459	35,444	33,954	34,645	34,330

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		July 14.	July 21.	July 28.	Aug. 4.
	£	£	£	£	£
52 Leicester Bank.....	82,322	24,725	23,720	23,055	23,419
53 Lewes Old Bank	44,836	19,556	19,310	20,131	18,847
54 Lincoln Bank	100,342	86,970	85,812	84,355	88,065
55 Llandoverly Bank and Llandilo Bank	82,945	14,460	11,427	8,894	11,649
56 Loughborough Bank	7,359	6,853	6,090	6,379	5,853
57 Lymington Bank	5,038	2,373	2,360	2,271	2,228
58 Lynn Regis and Lincolnshire Bank..	42,817	23,970	24,611	25,129	28,058
59 Lynn Regis and Norfolk Bank	13,917	8,446	8,352	9,247	9,960
60 Macclesfield Bank	15,760	8,943	9,170	8,373	8,528
61 Miners' Bank.....	18,688	13,489	13,528	13,063	13,183
62 Monmouth Old Bank	16,385	1,880	1,641	1,581	1,599
63 Newark Bank.....	28,788	5,740	5,419	5,132	5,879
64 Newark and Sleaford Bank	51,615	33,170	31,903	30,586	32,180
65 Newbury Bank	96,787	11,312	11,734	11,725	11,555
66 Newmarket Bank.....	23,098	13,530	13,349	13,332	13,211
67 Norwich and Norfolk Bank	105,519	77,351	76,055	74,645	73,421
68 Naval Bank, Plymouth	27,321	24,277	22,455	22,199	21,635
69 New Sarum Bank—Pinckney Bros...	15,659	3,659	3,665	3,541	3,659
70 Nottingham Bank	31,047	31,961	30,881	30,835	28,163
71 Oswestry Bank	18,471	7,644	7,555	7,267	7,516
72 Oxford Old Bank	84,391	30,295	29,625	28,882	27,939
73 Old Bank, Tonbridge	13,183	11,213	11,282	10,980	10,685
74 Oxfordshire Witney Bank	11,852	6,100	6,068	6,239	6,435
75 Pease's Old Bank, Hull	48,807	49,324	48,910	46,570	49,420
76 Penzance Bank	11,405	9,537	9,187	9,185	9,160
77 Reading Bank—Simonds and Co.....	37,519	21,545	21,152	20,710	21,600
78 Reading Bk.—Stephens, Blandy & Co.	43,271	25,706	25,640	25,744	26,574
79 Richmond Bank, Yorkshire	6,889	6,584	6,600	6,470	6,271
80 Royston Bank	16,393	7,674	7,386	7,133	6,835
81 Rye Bank	29,364	8,556	8,461	8,305	8,296
82 Saffron Walden and North Essex Bk.	47,646	18,010	17,940	18,068	18,004
83 Salop Bank	22,338	3,749	4,023	3,962	3,581
84 Scarborough Old Bank	24,313	24,999	24,284	24,049	24,740
85 Shrewsbury Old Bank	43,191	21,968	22,455	21,509	21,575
86 Sittingbourne and Milton Bank	4,789	1,098	1,064	1,180	1,241
87 Southampton Town and County Bank	25,359	8,325	8,275	7,949	8,011
88 Stamford and Rutland Bank	31,858	10,882	10,588	10,123	10,050
89 Shrewsbury and Welchpool Bank....	25,336	16,649	16,127	15,649	15,340
90 Tavistock Bank	13,421	11,626	11,915	11,387	10,635
91 Thornbury Bank	10,026	6,086	6,095	5,906	5,801
92 Tiverton and Devonshire Bank.....	13,470	5,618	5,847	5,758	5,486
93 Thrapstone and Kettering Bank	11,559	9,552	9,640	9,412	9,239
94 Tring Bank and Chesham Bank	13,531	12,795	12,958	13,105	12,767
95 Towcester Old Bank	10,801	5,110	5,344	5,190	5,196
96 Union Bank, Cornwall	17,003	4,076	3,880	3,847	3,878
97 Uxbridge Old Bank.....	25,136	5,500	5,569	6,015	6,340
98 Wallingford Bank.....	17,064	3,355	3,289	3,389	3,340
99 Warwick and Warwickshire Bank ..	30,504	22,324	21,864	20,814	24,486
100 Wellington Somerset Bank	6,528	4,566	4,872	4,948	4,953
101 West Riding Bank	46,158	38,554	40,057	40,042	38,121
102 Whitby Old Bank	14,258	10,857	11,028	10,580	10,422
103 Winchester, Alresford and Alton Bk.	25,892	8,493	8,614	8,369	9,135
104 Weymouth Old Bank	16,461	11,775	12,471	12,781	12,029
105 Wisbech and Lincolnshire Bank	59,713	27,240	26,369	26,948	26,728
106 Wiveliscombe Bank.....	7,602	1,439	1,454	1,677	1,273
107 Worcester Old Bank	37,448	42,100	42,815	41,320	42,342
108 Yarmouth and Suffolk Bank	53,060	33,630	32,201	31,631	30,680
109 Yarmouth, Norfolk, and Suffolk Bank	13,229	8,752	8,432	8,255	7,555
110 York Bank.....	46,387	30,996	31,308	30,763	30,458

JOINT STOCK BANKS.

NAME OF BANK.	Author- ised Issue.	AVERAGE AMOUNT.			
		July 14.	July 21.	July 28.	Aug. 4.
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	10,378	10,556	10,086	10,615
2 Barnsley Banking Company.....	9,563	8,715	8,827	8,775	8,488
3 Bradford Banking Company	49,292	45,375	45,338	45,622	47,058
4 Bank of Whitehaven.....	32,681	26,780	26,214	26,088	26,150
5 Bradford Commercial Banking Co. ..	20,084	20,086	20,490	20,301	18,735
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	89,058	36,061	84,056	34,534
7 Chesterfield & N. Derbyshire Bk. Co. .	10,421	9,636	9,925	10,065	9,876
8 Cumberland Union Banking Co.....	35,395	33,888	33,265	33,989	33,285
9 Coventry and Warwickshire Bk. Co. .	28,734	14,638	14,144	14,431	14,820
10 Coventry Union Banking Company ..	16,251	13,877	13,681	13,192	13,739
11 County of Gloucester Banking Co.....	144,352	84,496	82,155	81,020	81,954
12 Carlisle and Cumberland Banking Co.	25,610	22,948	23,249	24,560	25,115
13 Carlisle City and District Bank	19,972	19,981	20,186	19,584	19,707
14 County of Stafford Bank	9,418	8,157	8,261	7,754	7,415
15 Derby and Derbyshire Banking Co. .	20,098	18,808	19,620	19,326	19,988
16 Darlington District Joint Stock Bk. Co.	26,184	26,182	23,970	23,596	22,625
17 Gloucestershire Banking Company ..	155,920	186,583	134,656	138,467	132,409
18 Halifax Joint Stock Bank.....	18,534	17,256	17,261	17,812	17,658
19 Huddersfield Banking Company.....	37,354	34,923	37,672	36,615	37,174
20 Hull Banking Company	29,383	31,900	30,789	27,849	26,179
21 Halifax Commercial Banking Co.	13,738	10,918	10,535	10,402	10,421
22 Halifax and Huddersfield Union Bank	44,137	31,682	31,874	31,453	31,438
23 Knaresborough and Claro Banking Co.	28,059	26,624	25,700	25,533	25,554
24 Lancaster Banking Company	64,311	56,189	55,394	54,156	53,074
25 Leicestershire Banking Company	86,060	61,385	58,055	57,950	58,944
26 Lincoln and Lindsey Banking Co.....	51,620	45,552	44,949	44,042	43,667
27 Leamington Priors and Warwickshire Banking Company	13,875	11,885	11,205	11,115	10,712
28 Ludlow and Tenbury Bank	10,215	9,789	9,440	9,370	9,260
29 Moore and Robinson's Notts. Bkg. Co.	35,813	33,845	33,261	32,898	34,553
30 Nottingham and Notts. Banking Co. .	29,477	28,880	28,195	28,180	28,239
31 Northamptonshire Union Bank	84,356	58,068	58,168	56,705	57,149
32 Northamptonshire Banking Company	26,401	16,881	16,548	16,536	16,249
33 North and South Wales Bank.....	63,951	58,997	57,721	54,334	55,883
34 Pares's Leicestershire Banking Co. .	59,300	52,565	52,607	49,770	50,009
35 Sheffield Banking Company	35,843	27,516	27,985	25,865	25,919
36 Stamford, Spalding & Boston Bk. Co.	55,721	41,775	41,504	39,969	39,586
37 Stuckey's Banking Company	356,976	297,865	291,110	291,436	290,136
38 Stourbridge & Kidderminster Bkg. Co.	56,830	45,010	45,347	44,725	42,475
39 Sheffield and Hallamshire Bkg. Co. .	23,524	23,409	22,781	23,471	23,473
40 Sheffield & Rotherham Joint Stock Bk.	52,496	47,861	47,890	47,387	46,722
41 Swaledale and Wensleydale Bkg. Co. .	54,372	48,745	46,507	45,407	43,777
42 Wolverhampton and Staffordshire Bk.	35,378	18,624	18,375	16,355	16,210
43 Wakefield and Barnsley Union Bank..	14,604	13,085	13,182	13,385	13,593
44 Whitehaven Joint Stock Bkg. Co.	31,916	26,711	25,954	26,624	26,167
45 West of Eng. & S. Wales District Bk.	83,585	71,668	71,125	70,398	69,553
46 Wilts and Dorset Banking Company..	76,162	76,208	74,452	73,526	74,688
47 West Riding Union Banking Company	34,029	33,211	33,389	32,827	32,300
48 Whitchurch and Ellesmere Bk. Co. .	7,475	3,364	3,507	3,967	3,955
49 Worcester City and County Bk. Co. .	6,848	1,533	1,666	1,833	1,833
50 York Union Banking Co.....	71,240	66,507	65,181	66,290	66,216
51 York City and County Banking Co. .	94,695	92,865	93,282	91,783	91,860
52 Yorkshire Banking Company	122,533	118,069	118,354	116,612	117,265

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 11th August, 1877.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Bank of Ireland	3,738,428	1,887,525	1,160,875	3,048,400	582,080
Provincial Bank of Ireland	927,667	492,420	388,844	876,264	374,288
Belfast Bank	281,611	208,677	264,678	468,855	308,281
Northern Bank	243,440	217,512	271,592	489,105	366,439
Ulster Bank	811,079	886,089	346,048	782,132	569,618
The National Bank	852,269	879,125	580,390	1,459,515	856,598
TOTALS (Irish Banks)....	6,354,494	4,066,848	3,007,422	7,073,771	3,007,254

SCOTCH BANKS.

Bank of Scotland	348,418	220,577	474,617	695,194	452,038
Royal Bank of Scotland	216,451	254,355	477,828	732,183	609,505
British Linen Company	438,024	167,189	880,616	547,805	199,064
Commercial Bank of Scotland..	874,880	288,451	552,895	785,846	553,047
National Bank of Scotland	297,024	194,465	426,578	621,038	399,181
Union Bank of Scotland	454,846	250,596	519,691	770,287	462,582
Aberdeen Town & County Bank	70,183	98,288	117,642	215,926	181,044
North of Scotland Banking Co.	154,319	164,012	176,363	340,376	226,883
Glydesdale Banking Company..	274,821	194,707	850,736	545,448	337,650
City of Glasgow Bank	72,921	217,261	414,981	682,242	602,966
Caledonian Banking Company .	53,484	43,605	88,867	127,472	85,912
TOTALS (Scotch Banks)....	2,749,271	2,088,501	3,975,809	6,018,812	4,109,817

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING AUGUST 4th, 1877.**

	Fixed Issues.	July 14.	July 21.	July 28.	Aug. 4.
	£	£	£	£	£
110 Private Banks	3,719,146	2,316,985	2,294,618	2,380,085	2,264,434
52 Joint Stock Banks	2,587,551	2,179,206	2,151,041	2,121,777	2,118,493
162 Totals	6,306,697	4,496,191	4,445,659	4,501,862	4,382,927

Average Weekly Circulation of these Banks for the month ending Aug. 4, 1877:—

Private Banks	£2,314,030
Joint-Stock Banks	2,142,629

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,456,659

On comparing these amounts with the Returns for the month ending July 7th last, they show:—

An increase in the notes of Private Banks, of	£25,630
An increase in the notes of Joint-Stock Banks, of	4,717

Total increase on the month £240,847

And, as compared with the month ending Aug. 5th, 1876:—

A decrease in the notes of Private Banks, of	£59,216
A decrease in the notes of Joint-Stock Banks, of	37,133

Total decrease as compared with the same period of last year £296,349

The following is the comparative state of the circulation as regards the fixed issues:—

The Private Banks are below their fixed issues	£1,405,116
The Joint-Stock Banks are below their fixed issues	444,922

Total below their fixed issues £1,850,038

SUMMARY OF IRISH AND SCOTCH RETURNS TO AUGUST 4th, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

Average Circulation of the Irish Banks	£7,079,771
Average Circulation of the Scotch Banks	6,013,812

Total Average Circulation of these Banks for the past month £13,087,583

On comparing these amounts with the Returns for the month ending 7th July last, they show:—

Increase in the Circulation of Irish Banks	£6,501
Decrease in the Circulation of Scotch Banks	159,574

Total decrease on the month.. .. . £153,073

And as compared with the month ending Aug. 5th, 1876, they show:—

Increase in the Circulation of Irish Banks	£164,805
Increase in the Circulation of Scotch Banks	26,005

Total increase as compared with the same period of last year £190,810

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue £6,854,494
11 Banks in Scotland, allowed to issue 2,749,271

17 Banks in all, allowed to issue £9,103,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue £719,277
Scotch Banks are above their fixed issue 3,264,541

Total above the fixed issue £3,983,818

The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks £3,007,254
Gold and Silver held by the Scotch Banks 4,109,817

Total of Gold and Silver Coin £7,117,071

Being an increase of £29,797 on the part of the Irish Banks, and a decrease of £221,465 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO AUGUST 4th, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	Aug. 4.	July 7.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 1st Aug.)	28,646,046	27,976,084	669,962	..
Private Banks	2,814,080	2,278,400	535,680	..
Joint-Stock Banks	2,142,629	2,187,912	45,283	..
Total in England	33,102,705	32,392,396	710,309	..
Scotland	6,013,812	6,178,386	..	164,574
Ireland	7,078,771	7,067,270	11,501	..
United Kingdom	46,190,288	45,638,052	552,236	164,574

The comparison of the month ending Aug. 5th, 1876, with the month ending Aug. 4th, 1877, shows an increase in the Bank of England circulation of £176,561, a decrease in Private Banks, of £59,216, and a decrease in Joint-Stock Banks of £37,183, being a total increase in England of £80,212, while in Scotland there is an increase of £26,005; and in Ireland an increase of £164,805. Thus showing that the month ending the 4th Aug., as compared with the same period last year, presents an increase of £80,212 in England, and an increase of £271,022 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending Aug. 1st gives an average amount in both departments of £27,269,996. On a comparison of this with the Return for the previous month, there appears to be an increase of £751,992; and a decrease of £5,195,395 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending Aug. 4th, was £7,117,071; being a decrease of £191,668, as compared with the Return of the previous month, and a decrease of £176,931, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	11½
Feb. Aug.	6 "	25	Alliance, Limited	10	12½
Jan. July	"	200d.	Anglo-Austrian	120d.	7½
Mar. Sep.	10 p. ct.	20	Anglo-Californian, Limited	10	10
May Nov.	"	20	Anglo-Egyptian Banking, Limited	all	
April Oct.	4 p. ct.	20	Anglo-Foreign Banking, Limited	10	
"	"	100d.	Anglo-Hungarian	all	
Feb. Aug.	5 "	20	Anglo-Italian, 1886, Limited	10	
Mar. Sep.	12½ "	40	Bank of Australasia	all	82
April Oct.	7 "	20	Bank of British Columbia	all	
"	7 "	20	Ditto New, issued at 2½ pm.	10	
Jan. July	6 "	10	Bank of Constantinople	6	
Feb. Aug.	10 "	25	Bank of Egypt	all	27½
"	12½ "	Stk.	Bank of Ireland	100	
Jun. Dec.	5 "	20	Bank of Roumania	8	
Jan. July	10 "	25	Bank of South Australia	all	
April Oct.	12½ "	50	Bank of Victoria, Australia	25	
May Nov.	15 "	10	Bank of New Zealand	all	
"	5 "	50	British North American	all	56½
Feb. Aug.	8 "	10	Central of London, Limited	5	
April Oct.	6 "	20	Chartered of India, Australia, and China	all	21½
"	8 "	25	Chartered Merc. of India, London and China	all	27½
Jan. July	10 "	20	City	10	14½
"	14 "	100	Colonial	30	59
April Oct.	5 "	6	Commercial Bank of Alexandria, Limited	3	
Jan. July	10 "	10	Consolidated, Limited	4	7½
April Oct.	4½ "	25	Delhi and London, Limited	all	
May Nov.	10 "	20	English Bank of Rio de Janeiro, Limited	10	
Feb. Aug.	8 "	20	English, Scottish, and Australian Chartered	all	26
"	"	20	Franco-Egyptian, issued at 5 pm.	10	
Mar. Sep.	6 "	28½	Hong Kong and Shanghai Bank Corporation	all	
Jan. July	6 "	50	Imperial, Limited	15	17
"	"	20	Imperial Ottoman	10	4½
April Oct.	8 "	25	Ionian	all	
"	8 "	25	Ditto, New	10	
May Nov.	2½ "	20	Land Mortgage Bank of India, Limited	5	2
Jan. July	5 p. ct.	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	
Mar. Sep.	"	30	London Bank of Mexico & South America, Lim.	20	
"	6 "	30	Ditto, New	10	3½
Jun. Dec.	8 "	20	London Chartered of Australia	all	26½
Feb. Aug.	16 "	50	London and County	20	62
Jan. July	15 "	50	London Joint Stock	15	46½
Feb. Aug.	12½ "	10	London and Provincial, Limited	5	12½
Jun. Dec.	5 "	100	London and River Plate, Limited	40	
"	5 "	25	Ditto, New	10	
Mar. Sep.	8 "	10	London and San Francisco, Limited	all	
May Nov.	"	20	London and South African	all	
Feb. Aug.	8 "	100	London and South Western, Limited	20	
"	14 "	100	London and Westminster	20	63
April Oct.	10 "	20	Mercantile Bank of the River Plate, Limited	all	
Mar. Sep.	8 "	100	Merchant, Limited	25	23½
Jan. July	8 "	10	Metropolitan A) B receives no dividend until {	all	
"	"	10	Ditto B) 10 per ct. has been paid to A {	all	
"	8 "	10	Ditto New, A	1½	½
Feb. Aug.	8 "	100	Midland, Limited	20	
"	13 "	50	National	30	
Jun. Dec.	12½ "	5	National of Australasia	4	
Feb. Aug.	6/13/4 p. ct.	25	National of Liverpool, Limited	15	
Jan. July	6 "	10	National of New Zealand, Limited	3½	
Jun. Dec.	20 "	50	National Provincial of England	21	
"	20 "	20	Ditto, ditto	12	
"	20 "	20	Ditto, New, 1874, iss. at £10 prem.	12	
April Oct.	5 "	20	New London and Brazilian, Limited	10	8½
May Nov.	17½ "	20	New South Wales	all	
Feb. Aug.	4/3/4 "	20	North Eastern, Lim., iss. at 2 pm., already paid	6	
Feb. Aug.	8 "	24	North Western	7½	
April Oct.	10 "	25	Oriental Bank Corporation	all	44½
Jan. July	15 "	100	Provincial of Ireland	25	
"	15 "	10	Ditto, New	all	
May Nov.	12 "	100	Standard of British South Africa, Limited	25	38
Jan. July	16 "	25	Union of Australia	all	64½
"	15 "	50	Union of London	15½	41½

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

OCTOBER, 1877.

SOME THOUGHTS ON THE PRESENT POSITION OF BUSINESS.

AT the present period of the year, with the harvest nearly, if not quite, concluded, in all but the most northerly parts of the kingdom, a few thoughts on the present position of business naturally occur to the mind. To the trader, especially in our larger and busier manufacturing towns, the requirements of one season follow those of the preceding months in swift succession, and there is scarcely any, if any, dull time between each. It is different with those occupations which depend on agricultural industry, or the smaller branches of trade which are immediately connected with it. There are minor incidents in agricultural life which connect themselves with other classes of business; there are times when lean or young stock has to be bought which are followed by the sale of the same after a comparatively brief sojourn on the farm, there are times when manures may have to be laid in or "cake" have to be purchased for the feeding of the store cattle. But the main event of the year in all branches of business connected with the cultivation of the soil is the harvest, the time when the results of the year are collected and ascertained, stored up or sold. Whether it is in the wheat field or the cotton plantation, whether it is the barley crop or the vintage, whether the harvest is gathered amid the heat of southern Europe, the yet more scorching sun of California or India, or among the threatening snow-storms of northern Scotland; in each and all of these countries, greatly as they differ from each other in soil, in climate, or in character of population, the great event of the year is the same, the reaping, the garnering of the produce of the soil.

And now that the results of our own harvest in this country have been ascertained with sufficient exactness to enable us to judge with a tolerable approximation to accuracy as to their final results, we have to come to the conclusion that the harvest in this country is distinctly not up to the average. The letter which Mr. James Caird sent this year, as on former occasions, to the "Times" newspaper, expressed an apprehension of a very general deficiency in the wheat crop. A larger acreage of land had been sown with wheat last year than in the preceding year in the United Kingdom. The extent of the wheat crop was thus 200,000 acres larger in 1877 than in the year before, but the yield was generally poor, and Mr. Caird estimates "that, notwithstanding the increased acreage, we shall not have more than between nine and ten million quarters of a home crop." Mr. Caird considers that the year's requirements may not exceed 20,500,000 quarters, which leaves something like 11,000,000 quarters to be supplied from abroad. The wheat crop throughout western Europe, with the exception of some parts of Spain and of southern Russia, appears to have been of the same character as the crop in the British Islands, and it is reported that France is likely to need to purchase wheat instead of having, as is usual, a considerable surplus to export. While the ports in the Black Sea are closed by the war between Turkey and Russia, our chief supplies are likely to be drawn from India and California. Some of the produce of southern Russia has, doubtless, already reached us, and more will also probably be forwarded to this country through the Baltic ports and Germany. But the Baltic ports will soon be closed for the season, and in any case the cost of the long distance of land carriage will tell on the price of the corn imported through that channel. A higher price of wheat must therefore be looked for this year than last. It is impossible as yet to judge with any certainty what the addition to the cost of our food supplies may be; but it is not unlikely that the foreign wheat imported, and of course our home supply as well, may cost the purchaser from one-fifth to one-quarter more this year than last. An importation of wheat to the extent of 11,000,000 quarters at the probable price of this year will cost a great deal more than the corresponding quantity imported last year. We may be very thankful if our requirements are provided for, though the additional demand which the enhanced cost will make on the resources of the country is not otherwise than a very serious thing.

We subjoin a table which is derived from the "Economist" newspaper, and which gives the cost of the imports of articles

of food into the United Kingdom during the first eight months of this year, which is as far as the returns already published as yet extend, compared with the corresponding period last year.

IMPORTS of ARTICLES of FOOD into the UNITED KINGDOM during the eight months ended August, 1877, compared with the corresponding months in 1876.

	Eight Months, 1877.	Eight Months, 1876.	Increase.	Decrease.
	£	£	£	£
Living Animals.....	3,923,000	4,653,000	..	730,000
Bacon	4,021,000	5,196,000	..	1,175,000
Beef—salted & fresh ..	1,260,000	498,000	762,000	..
Butter	6,333,000	6,142,000	191,000	..
Cheese	2,955,000	2,645,000	310,000	..
Wheat	20,459,000	16,660,000	3,799,000	..
Flour	4,219,000	3,053,000	1,166,000	..
Indian corn	6,738,000	8,834,000	..	2,096,000
Eggs	1,811,000	1,916,000	..	105,000
Meat—various	1,076,000	636,000	440,000	..
Potatoes	1,146,000	1,290,000	..	144,000
Rice	2,178,000	1,994,000	184,000	..
	..	..	6,852,000	4,250,000
Deduct	..	..	4,250,000	..
Total	56,119,000	53,517,000	2,602,000	..

This table shows that we have already had to pay two million six hundred thousand pounds more this year for articles of food, when compared with last year, and this before the great importations of grain which always take place in the autumn have been made. By the time the year is over it is probable that the difference in the cost of the wheat imported in 1877, when compared with 1876, will have caused the value of the food imported this year to have exceeded that imported last year in a very considerable degree. Now this is a very important thing for the country. It means that a very large sum will have to be paid away without any return in a commercial sense being made for the same. When we have to pay a higher price for raw cotton imported, or for wool imported, it is possible that the goods manufactured from these articles may be sold at an enhanced price, and so that the increase in original cost may be recovered. But it is otherwise when an increased price has to be paid for food imported. The food is directly consumed in the support of the population; and the products of their labour will not sell for one sixpence the higher, because their food has been more expensive. The apparent value of the imports into the United Kingdom, as stated in the custom house returns, has

for many years past invariably exceeded the exports. There are many reasons why this should be the case. The cost of the freights to this country is naturally included in the cost of the imports, while the exports are taken at the price reckoned at the port of shipment in this country. The goods will presumably be sold at a sufficient price to bring back the freight as well as the merchant's profit in addition to their cost, and so far the difference in value between the imports and exports is more a matter of appearance than of reality. Besides this there is the interest due to this country from foreign investments which does not appear on the face of these returns, except so far as it reaches this country in the shape of additions to our imports. This still, even after all recent events influencing the holders of foreign bonds, amounts to a large sum. How large it is barely possible to estimate, but it must be very large, and beyond it there is the profit on investments made, and estates owned, both in the colonies and in foreign countries, by people living in England. The sums derived from both these sources are doubtless very considerable. The value of the freight on our imports, which reach this country principally in British ships, is estimated by a competent authority as being at the present time something close on thirty-four or thirty-five millions of pounds sterling a year, and, if to this the interest on money invested abroad is added, we see how from these resources, though we cannot estimate them closely, the difference between the value of the imports and exports may be provided for.

It now becomes desirable to examine into the amount of the difference in value between our imports and exports. The following statement is derived from the customs' report for this year, and shows the excess of our imports over our exports, including foreign merchandise re-exported, and bullion on both sides of the account for the last ten years. No allowance is made in it for the estimated value of the freight, or of the interest due to this country from other countries, which have just been referred to. An estimate only could be made of these items, and our readers can judge for themselves how difficult it is to form such an estimate; although from what has been mentioned it may be seen that they amount to very large sums in the aggregate.

EXCESS OF IMPORTS OVER EXPORTS, BRITISH AND FOREIGN.

Year.			Amount.
			£
1867	...	...	58,877,138
1868	...	...	71,547,735
1869	...	...	62,568,625

Year.	Amount.		
	£		
1870	...	...	69,712,894
1871	...	...	51,820,936
1872	...	...	39,376,941
1873	...	...	64,982,553
1874	...	...	79,957,832
1875	...	...	97,964,001
1876	...	...	125,968,268

This table shows us how enormously the differences in value between the imports and exports has increased recently. During the present year the progress of matters has been in the same direction. The following statement will enable us to compare the imports and exports for the first eight months of this year, and thus to bring our knowledge of the events which have occurred to the latest date available:—

IMPORTS AND EXPORTS, EIGHT MONTHS ENDING AUGUST.

	£		
Imports, 1876	..	...	251,558,000
Exports, 1876	...	...	133,257,000
Excess of Imports in 1876	...		118,301,000

EIGHT MONTHS ENDING AUGUST.

	£		
Imports, 1877	...	...	264,294,000
Exports, 1877	...	...	130,568,000
Excess of Imports in 1877	...		133,726,000

EIGHT MONTHS ENDING AUGUST.

	£		
Excess of Imports over Exports in 1877	...	...	133,726,000
Excess of Imports over Exports in 1876	...	...	118,301,000
Increased excess of Imports over Exports in 1877	...	...	15,425,000

This shows us that the increase in the excess of imports over exports has made very considerable progress during the portion of the year which has already passed by. In this case the statement of the exports gives the British produce and manufactures

only, as these shew the state of our industrial population more closely.

The question which will occur to every one will be this : How can this increased difference between the value of what we import and what we export have been paid for ? If we grant, as perhaps we may, that down to the year 1872 the account, had it been fairly stated, had the value of the freight on the exports been added, and the other items been considered which have been mentioned above, might have shown something like a balance ; we have to deal with very different figures in the four years following. There was, doubtless, some augmentation in the value of the freight on our exports in 1872, 1873, and 1874, but from this date the exports dropped in value till, in 1876, they were not much beyond the value in 1870, and freights may have followed the alteration in the value of the goods. The increase in foreign loans, and consequently in the interest due to us from foreign nations, had probably a great influence over the balance of trade of the years 1873 and 1874, and in the year 1875 a different force came into play, which also acted for the time in the same direction. This was the alarm caused by the investigations made before the Committee of the House of Commons on Foreign Loans, which was increased by the failure of several foreign countries in that year to pay the interest due on their debts. This has caused, we believe, a very considerable diminution both in the quantity and the value of foreign bonds held by British investors. The bonds which they have been willing to sell have found, in many instances, a ready market abroad. And this cause has apparently greatly assisted in providing the balance due from this country to other nations. During the time that this process is going on, when foreign bonds are being exported, so to say, from this country, it influences the foreign exchange exactly in the same manner as the remittances for interest due to the holders of the bonds, and, of course, for the time more powerfully, as it is the value of the principal not of the interest on the bonds which has to be remitted to this country. But this method of paying our debts must gradually come to an end. When the foreign stock held by timid investors has been sold out, the balance between what is due to us and what we owe to other countries must be provided for by some other means than this. A resource of this description is not like the interest due upon a debt, which, if it is punctually met, forms a perpetual source of supply to the holder. When the supply of bonds sold by inhabitants of this country to foreigners comes to an end, the next step will be an export of bullion, and several circumstances appear to point in this direction.

There has been already a slight movement of bullion from this country to France, and though the flow has stopped for the present it may start up into activity again, and a considerable demand for bullion for export to the United States during the remainder of the autumn and the early months of winter seems far from unlikely. In this case the reserve of the Bank of England will probably be drawn upon to provide bullion for export. The reserve of the Bank is, as will be seen by a reference to the statement of the accounts of the Bank which we publish monthly in each number, very much weaker now than it was at this time last year. Any considerable reduction in the reserve will, undoubtedly, cause a rise in the bank rate. The prospects of our trade and our manufacturing industries are not very buoyant just at present, and we should be glad for their sakes if money continues low in value. But just at the present moment the tendencies of affairs seem to point in the direction of a rise in the value of money, which we can only hope may be followed before long by a revival in trade.

CANCELLATION OF ADHESIVE STAMPS.

THE following circular to bankers has been recently issued by the Inland Revenue Department. It is to be hoped that calling attention to the point, which is an important one, will secure the end desired :—

“ Inland Revenue,
“ Somerset House, London, W.C.,
“ August, 1877.

“ GENTLEMEN,

“ From facts which have recently come to their knowledge the Board of Inland Revenue cannot but draw the conclusion that there is great and, they fear, general irregularity in the manner of cancelling adhesive stamps, and especially those used for Bills of Exchange drawn abroad.

“ The law requires that the person affixing the stamp to the Bill shall cancel it by stamping or writing on or across the stamp his name or initials together with the true date of his so writing (33 & 34 Vic., cap. 97, sec. 24), but the Board have reason to believe that a mere cross or other mark is frequently regarded as a sufficient cancellation, and that the date is commonly omitted.

“ It is obvious that an adhesive stamp cancelled only by a mark or initial without any date may be used a second time without bearing on its face anything suggestive of fraud, and very great temptation is thus offered to dishonest persons into whose hands satisfied Foreign Bills may come.

"The Board therefore, feeling confident that they may rely on your co-operation in protecting the Revenue against such frauds, have directed me to call your attention to this matter, and to suggest that you should instruct all persons in your employ to see that the regulations for cancellation of stamps are duly observed.

"I am, Gentlemen,

"Your obedient Servant,

"FRED. B. GARNETT,

"Secretary."

CANCELLATION OF ADHESIVE STAMPS.

Extract from 33 and 34 Vic., cap. 97, section 24.

"An Instrument, the duty upon which is required or permitted by law to be denoted by an adhesive stamp, is not to be deemed duly stamped with an adhesive stamp, unless the person required by law to cancel such adhesive stamp cancels the same by writing on or across the stamp his name or initials, or the name or initials of his firm, together with the true date of his so writing, so that the stamp may be effectually cancelled, and rendered incapable of being used for any other instrument."

"Every person who being required by law to cancel an adhesive stamp wilfully neglects or refuses duly and effectually to do so in manner aforesaid shall forfeit the sum of ten pounds."

Inland Revenue,

Somerset House, London.

THE INFLUENCE OF A NOTE CIRCULATION IN THE CONDUCT OF BANKING BUSINESS.

Being a Paper read before the Manchester Statistical Society by Mr. R. H. INGLIS PALGRAVE, F.S.S., 14th March, 1877.

(Continued from August number, page 651.)

VIII.—*Banking Deposits and Circulation in other Countries compared.*

It is not very easy in this country to obtain much information respecting the details of banking in other countries, but the following statement of the progress of the Bank of Geneva, a joint-stock bank situated in the city of that name (Table B), and of the Bank of the Canton of Freiburg, in Switzerland (Table C), will be interesting. Both these statements exhibit the usual features of continental banking, a large note circulation with comparatively small deposits. The growth in the latter however is not unimportant, though it is doubtful whether the laws in Switzerland regulating the circulation are in any way as careful as those

of Sweden, and when we compare the amounts of deposits held by these banks, and those held by the Bank of Bremen (Table D), the latest published accounts of which are also added, with those held by the principal banks on the continent which possess, what we may term, a State circulation, the deposits held by the banks which issue notes on what may be termed strictly banking principles are really large in proportion. Even in the case of the Bank of France (Table F) it will be seen that the deposits, especially at their branches, are exceeding small in proportion to their circulation. The deposits of the Bank of France at Paris averaged in 1875 about eleven millions; at the branches (about 74 in number), about a million and a quarter, with an average note circulation of more than ninety-eight millions, while the average of the deposits of the Imperial Bank of Germany, for 1876, were about three millions, with a note circulation of thirty-four millions (Table G); of the National Bank of Belgium, about one million (exclusive of the deposits of the Government), with a circulation of twelve millions; while the deposits with the National Bank of Austria were almost nil, with a circulation of nearly fourteen millions (Table H).

The same rule holds good as to banking in Australia and America. From a statement published by Mr. Nathaniel Cork, in his statistics of Australian banking, the aggregate of the deposits of the Australian banks in 1872 was £33,466,000, and of their notes in circulation, £3,433,000. If there is a country in which a note circulation might have seemed superfluous it is in Australia—yet we cannot doubt that there also, as in other countries where a note circulation has existed, the power of collecting deposits has been greatly stimulated by it. We see the same feature exhibited in the accounts of the American National banks, which are obtained from the returns recently published by Mr. John Jay Knox, the comptroller of the currency at Washington (Table E).

IX.—*The Influence of a Note Circulation when issued by a "Commercial" Bank and a "State" Bank compared.*

We have now investigated, as far as the information accessible will allow, the course of banking in recent years in England, in Scotland, in Ireland, and in Sweden, in Australia and America. The last-named countries all possess note circulations emanating from several banks, banks which are not State banks, and the notes of which supply in great degree the requirements of the people for their cash transactions, thus economising the use of

coin, and promoting the extension of banking facilities. The latter, it must be observed, is by far the most important function of a note circulation. In England as far as it has existed, and most certainly in Scotland, in Ireland, and in Sweden, the possession of a note circulation has promoted the growth of deposits mainly through the power which a note circulation has given a bank of establishing branches in remote districts where a branch could not otherwise be profitably carried on. This result of the power of issuing notes can be traced less in proportion perhaps in England than in the other countries named, because the greater wealth of England has rendered the advantages a note circulation offers less needed, and also because the system of provincial note circulation has been more imperfect in England; while in Scotland, Ireland, and Sweden, we may see how a system of note circulation which has enabled the banks of each country to extend their branches to the remote villages and hamlets, to the less wealthy and less peopled districts, has also enabled them to collect from these distant and poorer regions those scattered drops, so to say, of the hoarded wealth of the people, which, while secreted in each man's possession, were of service only to him when he needed to employ them, but in the hands of the banks were aggregated into fertilizing streams, the causes of plenty in otherwise sterile lands.

If we compare with the statements of the position of the English provincial issuing banks, Australian and American, as far as we are able to trace them, of the Scotch, Irish, Swedish and Swiss banks, with those of the Bank of England, the Bank of France, the Bank of Germany, the National Bank of Austria, and the National Bank of Belgium, we shall see of how different service the power of circulation has been to them, how small in comparison their deposits are to their note circulations. After the instances which have been given of the progress of banking in Sweden, and in Switzerland, it cannot be asserted that deposit banking cannot be expected to attain any considerable proportion on the continent of Europe. What I believe to be the case is that the privilege of issue, though of vast service in the hands of banks which issue notes for business purposes, in the way of enabling them to attract deposits, is of little or no service in this direction when in the hands of Government or State banks. Even in the case of the Bank of England itself, when the strictly private deposits are separated from the general mass of deposits, when those belonging to the Government and to the London bankers are deducted from the total (Table I), it will be seen that the progress of the Bank of England, in the way of attracting

deposits, has proportionately been far less than that of the provincial and joint-stock banks, as shown in the evidence to the Committee of the House of Commons on banks of issue.

X.—Legislation in this Country respecting Circulation.

Having therefore investigated, as completely as the means at our disposal will allow, the position of banking deposits in those countries in which a note circulation is connected with business transactions, and in those in which the note circulation is in the hands of state banks, or a bank under state control, and pointed out that in the one case the circulation assists the growth of deposits, while in the other it is powerless to do so, it will be needful, in order to make any investigation into this subject at all complete, to give some description of the position of the note circulation of the country at this time, and to refer back for that purpose to the date of Sir Robert Peel's Acts of 1844—1845, for the regulations of the note circulation. Before that time the power of issuing promissory notes payable on demand, had been a right at common law, unrestricted as to the amount which might be put into circulation by any banker. By the Acts which Sir R. Peel was instrumental in passing, this power was taken away, and the right of issue was confined to those banks which were in possession of it at that time. It is not needful here to discuss at any great length the details of those Acts. The most important points in them are the following :—

In England, any private bank of issue, that is to say any bank issuing notes and having not more than six partners, was allowed to join any other private bank of issue, and the amalgamated banks were permitted to continue their united issues. But when a joint-stock bank of issue in England amalgamated with any other bank of issue, whether private or joint-stock, the right of issuing notes was restricted to the limit allowed to the joint-stock bank which continued the business. Under these provisions of the Act, when any joint-stock bank of issue joined either a private bank of issue or a joint-stock bank of issue, the circulation of the bank which was amalgamated lapsed. In a similar way when an issuing joint-stock bank joined a non-issuing joint-stock bank, the circulation also lapsed. These provisions in the Act of 1844 show the intentions of Sir Robert Peel in his legislation ; he desired the gradual extinction of the provincial note circulation. The more favourable terms allowed to private than to joint-stock banks doubtless mark that it

was needful to conciliate opposition in parliament. The same reason caused more favourable terms still to be allowed to the issuing banks in Scotland and Ireland. In both these countries all the issuing banks at the date when the Act was passed, were joint-stock banks, and in Scotland and Ireland any joint-stock bank of issue was permitted by the Acts of 1845, to amalgamate with any other joint-stock bank of issue without suffering the loss of any part of the united circulations. A power of issuing notes to an unlimited extent provided gold was held against the excess issue, was also conceded to the banks in those countries. A somewhat similar power was granted to the Bank of England. The issue department of the Bank was compelled to hold gold against every note issued beyond a certain amount of securities fixed in 1844 at £14,000,000, and afterwards extended in accordance with the provisions of the Act referring to lapsed issues in England to £15,000,000. These provisions of the Act permitting an extension of the issue of the notes of the Bank of England against securities, in case of the lapse of a provincial issue, extend only to England, thus for instance when the Western Bank of Scotland failed in 1857 with an authorized issue of £337,938, no corresponding extension of the fixed issue was allowed to the Bank of England.

XI.—The Paper circulation, the Metallic circulation, and the general business of the country.

The theory on which Sir R. Peel's legislation was founded was that it was desirable that a paper circulation should vary in amount exactly as a metallic circulation would do. In practice, the provisions of the Acts of 1845, regulating the circulation of notes in Scotland and Ireland, have probably enabled the banks in those countries to issue as many notes as they would have done had their circulation been entirely unrestricted. In England the provincial banks, taken as a body, could undoubtedly issue many more of their own notes than they do at present. English issuing banks now obtain the notes which they require from the Bank of England; and English issuing banks, when they require notes beyond the limit fixed in 1844, also obtain notes in the same manner from the Bank of England. It is probable, therefore, that the circulation of notes in England corresponds, under the existing enactments, with considerable exactness with the amount which would be put

into circulation were the rights of issuing notes limited only by the necessity of paying them in gold, and by the present prohibition of notes of a lower denomination than £5. If the circulation were thrown open to all banks, but restricted as at present to notes of £5 and upwards, there would doubtless be a change in the constitution of the circulation, fewer notes of the Bank of England being employed and more of the other banks, but it is not likely that any very considerable extension of the amount of notes in circulation would follow.

Having thus explained the general plan under which the note circulation of the country is regulated, it is desirable to proceed to some details of its course since the date of Sir Robert Peel's Acts. The following table (Table M) explains the main facts. It contains a statement of the declared values of the exports and imports of the United Kingdom; of the amounts passed through the London Clearing House, and of the total circulation in bank notes for the year 1844 and for the years from 1868 to 1876. The declared values of the exports and imports, and the amounts passed through the London Clearing House, are contrasted in this table with the total of the note circulation; as they afford, taken collectively, as good a criterion as can be supplied at the present time of the state of the trade and commerce of the country. The broad facts, as shown by this comparison, are that while the exports and imports are more than four times the amount they were in 1844, and the sums passed in the London Clearing House have increased in a very similar proportion, the increase in the note circulation has been comparatively small. The value of the imports and exports has expanded from about £144,000,000 to £574,000,000. The circulation has increased from about £37,000,000 to £46,000,000. Meanwhile, the amounts held by the banks on deposit have greatly increased. The altered course of trade, the habit of keeping banking accounts, and the extended use of checks, have prevented the amount of the note circulation keeping pace with the increased resources held by the banks in England. The amount of the note circulation of a bank is not dependent in any way on the amount of deposits it holds.

While the trade and the resources of the United Kingdom generally have largely increased, the amount of the gold in circulation has also greatly increased. Any statement of the amount of the gold in circulation in a country must of necessity be in the form of an estimate. The investigation made in 1868 by Professor Jevons was so careful and complete that it may be accepted with great confidence as a basis of comparison. The information as to the earlier periods is by no means so exact.

In Marshall's "Digest" it is stated that the Bank of England held in coin and bullion together on

28th February, 1819	... ..	£4,184,620
31st August	„	3,595,360

It is difficult to believe that the gold circulation in the United Kingdom at that date exceeded, if indeed it reached, £10,000,000.

In 1844 the gold circulation was estimated by Mr. Newmarch as £36,000,000. The amount of gold bullion held by the Bank of England can hardly be placed at above £8,000,000 at that date. The gold circulation in England in 1868 was estimated by Professor Jevons as

68,000,000 in sovereigns
12,000,000 „ half-sovereigns

80,000,000
15,000,000 gold bullion held by the Bank of England

95,000,000

Mr. Hendriks, who gave evidence before the French Enquête sur la Question Monétaire of 1870, and is a very competent authority, estimated the gold in circulation in 1875 as £100,000,000—to this, also, must be added the amount of bullion held by the Bank of England. Assuming this to be £15,000,000, it becomes clear that the proportion borne by the notes in circulation in the country, both to the gold in circulation and the banking deposits, is far smaller now than any previous time in the commercial history of the country.

The proportion of the circulation which is not issued against gold is also considerably smaller at the present time than it has previously been.

In 1844 the proportion of the circulation issued against gold was 17 per cent. In 1876, this proportion had, under the influence of the Act of 1844, risen to 37 per cent. It must not, however, be supposed from this statement that the proportion of the note circulation *secured* by gold being held against it, had increased in a similar manner as the proportion *issued* against gold. The gold held by the Scotch and Irish banks against their excess issues is distinctly marked out under the provisions of the Acts of 1845 as being held against their total liabilities, and not against their note circulation only.

The Acts of 1845 require that gold should be held against

the amount of notes in circulation beyond the fixed limit, both in Scotland and Ireland. This provision of the Act, however, was not intended to provide any security whatever for the holder of the note.

"We do not propose," to quote Sir Robert Peel's words, "that there should be any certain amount of deposit as a security." The arrangement was made by Sir Robert Peel to carry out the theory, that a paper circulation should vary in amount exactly as a metallic circulation would do. Hence, Sir Robert Peel directed that when an extra issue of notes was put into circulation by a Scotch bank, it should be bound to withdraw from circulation an equal value in sovereigns. It is possible that Sir Robert Peel may have expected that this sum would be really withdrawn from active circulation. The practical result has been, however, a regular and periodic demand on the Bank of England for gold, to meet the requirements of the Acts of 1845, which is sufficient to affect the money market when it is in a sensitive condition. This point will be referred to further on.

TABLE B.—BANK OF GENEVA.

Year.	Reserve.	Circulation.	Accounts not bearing Interest.	Accounts bearing Interest.	Capital.
	£	£	£	£	£
1853	13,320	27,880	10,080		
1854	13,360	26,360	10,800		
1855	14,720	25,600	12,800	6,520	66,560
1856	25,400	37,880	30,600	26,080	66,560
1857	26,600	36,000	14,800	50,560	67,760
1858	18,200	33,320	20,400	84,160	68,480
1859	19,080	32,480	27,320	62,400	80,000
1860	24,480	35,880	26,120	62,640	88,000
1861	21,480	27,880	17,120	47,840	100,000
1862	26,600	38,000	23,680	65,320	100,000
1863	24,760	33,800	28,480	68,360	100,000
1864	14,720	33,480	20,880	48,160	100,000
1865	22,920	28,560	30,800	41,520	100,000
1866	36,160	26,640	30,800	57,280	100,000
1867	21,520	27,920	13,480	53,400	100,000
1868	22,560	32,200	15,200	59,600	100,000
1869	18,880	34,040	16,040	74,120	100,000
1870	22,880	39,520	20,200	52,000	100,000
1871	33,200	48,000	19,880	60,000	100,000
1872	24,520	53,480	18,400	56,400	100,000
1873	27,200	72,000	18,960	45,120	100,000
1874	43,120	108,320	30,040	47,640	100,000

Converting the Franc at 25 = £1. From the "*Economiste Français*," Jan. 13, 1877.

TABLE C.—THE BANK OF THE CANTON OF FREIBOURG IN SWITZERLAND.

[The franc is converted at 25=£1 in this Table.]

Year.	Capital.	Advances on Local Securities. Amount on 31st Dec. in each year.	Annual Average of Notes in Circulation.	Annual Average of Specie held.	Amount of Deposits at Interest on 31st Dec. in each year.	Bills on other Countries.	Reserve on 31st Dec. in each year.
	£	£	£	£	£	£	£
1851	17,600	12,920	600	—	3,520	440	40
1852	18,360	18,360	3,240	3,360	3,560	1,120	120
1853	22,000	21,120	6,180	3,120	6,560	2,000	320
1854	26,600	17,440	7,800	2,760	5,240	4,320	680
1855	34,720	29,520	7,880	3,400	6,880	3,320	1,000
1856	40,000	40,840	8,640	3,160	9,200	5,040	1,360
1857	40,000	35,000	10,720	4,200	6,680	4,440	1,880
1858	40,000	40,760	11,400	3,880	6,200	3,280	2,280
1859	40,000	44,960	11,080	6,640	8,600	3,800	2,720
1860	40,000	43,960	12,640	4,080	12,960	3,440	3,120
1861	40,000	51,080	13,320	4,000	13,640	1,960	3,560
1862	40,000	62,920	14,280	4,760	14,600	10,400	3,960
1863	40,000	68,840	14,440	4,240	14,280	7,520	4,400
1864	40,000	87,560	16,400	4,240	16,120	6,160	5,000
1865	66,400	106,280	18,080	5,200	26,520	10,360	10,000
1866	68,000	125,120	16,160	6,000	44,120	3,040	10,560
1867	68,000	135,840	13,560	5,840	46,880	5,600	11,240
1868	68,000	138,680	14,000	5,360	48,760	4,720	11,880
1869	68,000	155,800	14,400	6,400	57,000	6,560	12,640
1870	68,000	167,240	13,920	7,560	60,840	6,560	13,280
1871	68,000	184,200	14,080	14,760	70,400	7,960	2,200
1872	68,000	224,720	17,200	10,000	106,240	7,160	2,680
1873	93,600	246,240	30,800	9,200	111,640	9,920	2,880
1874	96,000	232,720	39,200	14,000	119,120	24,440	5,320
1875	96,000	209,960	39,200	14,800	127,680	22,880	6,680
1876	96,000	184,760	43,800	23,640	130,440	35,000	8,440

The Bank of the Canton of Freiburg is one of the eight oldest banks in Switzerland which possess a note circulation. It has maintained up to this date a quiet and undisturbed existence. The capital has never been large, but the business has been carried on with great energy. The reserve is, however, but small, as in the 27th year of the existence of the bank it still does not amount to the tenth part of the capital. It has seven agencies at Bulle, Chatel, Estavayer, Montagny, Morat, Romont and Rue, none of which are places of any large size. It issues notes of the value of 500, 100, 20, 10, and as low as 5 francs. This information is derived from the "Economiste Français" of the 10th February, 1877.

TABLE D.—BREMEN BANK.
STATEMENT OF THE 31st JANUARY, 1877.

<i>Assets.</i>							
Specie held	..	..	..	..	..	..	£144,219
Bills on the Imperial Treasury	..	..	..	..	..	..	2,780
Notes of other banks	..	..	..	..	..	..	17,695
Total cash held	..	..	..	..	..	..	164,594
Clearing account at the Reichs bank	..	..	..	..	..	..	21,845
Bills of Exchange	..	..	..	..	..	..	1,708,042
Advances on goods	..	..	..	..	..	..	207,641
Sundry debtors	..	..	..	..	..	..	5,845
Other assets, including buildings and furniture	..	..	..	..	..	..	34,177
							£2,142,144

<i>Liabilities.</i>							
Capital	..	..	..	..	..	..	£830,350
Reserve Fund ..	..	..	..	..	..	..	37,851
Notes in circulation ..	..	..	..	..	..	..	309,040
Deposits on demand ..	..	..	..	..	..	..	16,310
Deposits due after notice ..	..	..	..	..	..	..	882,488
Sundry credit accounts ..	..	..	..	..	..	..	53,309
Liabilities further described on bills falling due after 31st January							34,233
							<u>£2,163,581</u>

The mark converted at 20 = £1 in this statement.

From the "Bremer Handelsblatt," 3rd February, 1877.

TABLE E.—THE RESOURCES AND LIABILITIES OF THE
"NATIONAL" BANKS OF AMERICA, 2ND OCTOBER, 1876.
2,089 BANKS THEN IN OPERATION.

<i>Resources.</i>							<i>Aggregate.</i>
Loans and discounts	..	..	..	..	..	..	£185,514,996
Overdrafts	..	..	..	..	..	..	745,947
Bonds for circulation	..	..	..	..	..	..	67,434,080
Bonds for deposits	..	..	..	..	..	..	2,939,600
U.S. bonds on hand	..	..	..	..	..	..	6,628,430
Other stocks and bonds	..	..	..	..	..	..	6,889,032
Due from reserve agents	..	..	..	..	..	..	17,465,390
Due from other national banks	..	..	..	..	..	..	9,505,018
Due from other banks and bankers	..	..	..	..	..	..	2,412,257
Real estate, furniture and fixtures	..	..	..	..	..	..	8,624,388
Current expenses	..	..	..	..	..	..	1,397,529
Premiums	..	..	..	..	..	..	2,143,050
Cheques and other cash items	..	..	..	..	..	..	2,408,628
Exchanges for clearing house	..	..	..	..	..	..	17,574,163
Bills of other national banks	..	..	..	..	..	..	3,182,062
Fractional currency	..	..	..	..	..	..	283,440
Specie	..	..	..	..	..	..	4,272,154
Legal tender notes	..	..	..	..	..	..	16,850,169
U.S. certificates of deposit	..	..	..	..	..	..	5,834,000
Five per Cent. redemption fund	..	..	..	..	..	..	2,941,276
Due from U.S. treasurer	..	..	..	..	..	..	407,465
							<u>£365,453,073</u>

<i>Liabilities.</i>							
Capital stock	..	..	..	..	..	..	£99,960,446
Surplus fund	..	..	..	..	..	..	26,440,456
Undivided profits	..	..	..	..	..	..	9,289,043
National bank notes outstanding	..	..	..	..	..	..	58,308,804
State bank notes outstanding	..	..	..	..	..	..	124,404
Dividends unpaid	..	..	..	..	..	..	771,107
Individual deposits	..	..	..	..	..	..	130,277,042
U.S. deposits	..	..	..	..	..	..	1,451,360
Deposits of U.S. disbursing officers	..	..	..	..	..	..	749,356
Due to National Bank	..	..	..	..	..	..	26,307,193
Due to other banks and bankers	..	..	..	..	..	..	9,650,023
Notes and bills rediscounted	..	..	..	..	..	..	892,883
Bills payable	..	..	..	..	..	..	1,230,956
							<u>£365,453,073</u>

From the Report of the "Comptroller of the Currency" Treasury Department,
Washington, December 2nd, 1876.

The dollar converted as = 4s. in this table.

TABLE F.—BANK OF FRANCE.—ANALYSIS OF RETURNS, 1876.

The franc converted as 25 = £1 in this table.

Notes in Circulation.	Drafts to Order, and receipts payable at Paris and Branches.	Current Accounts at Paris.	Current Accounts at Branches.	Treasury Accounts.	Total Liabilities to Public.	Coin and Bullion.	Proportion of Coin and Bullion to Total Liabilities.	Bills Discounted.	Other Advances.	Date of Return.
£	£	£	£	£	£	£	Per cent.	£	£	1876.
105,338,000	376,000	9,500,000	1,112,000	5,562,000	121,876,000	52,836,000	43	31,132,000	4,276,000	January 7
106,104,000	364,000	8,952,000	976,000	5,288,000	121,684,000	52,766,000	43	30,512,000	4,272,000	" 14
105,766,000	300,000	9,456,000	1,296,000	4,840,000	121,748,000	53,360,000	44	29,544,000	4,512,000	" 21
105,644,000	372,000	10,408,000	1,248,000	4,804,000	122,536,000	54,184,000	44	29,172,000	4,516,000	" 28
106,228,000	364,000	11,116,000	1,164,000	4,068,000	121,940,000	55,540,000	45	27,440,000	4,596,000	February 4
102,968,000	360,000	20,424,000	1,784,000	4,680,000	130,216,000	58,420,000	45	33,332,000	4,996,000	" 11
103,448,000	344,000	17,868,000	1,964,000	4,464,000	128,088,000	59,052,000	46	31,264,000	4,466,000	" 18
103,036,000	352,000	16,684,000	1,600,000	4,584,000	126,156,000	59,152,000	47	29,000,000	4,376,000	" 25
102,708,000	352,000	14,668,000	1,266,000	4,440,000	123,424,000	59,700,000	48	26,704,000	4,368,000	March 4
101,944,000	344,000	14,012,000	1,364,000	4,696,000	122,360,000	60,060,000	49	24,704,000	4,256,000	" 11
101,556,000	320,000	13,744,000	1,368,000	4,824,000	121,812,000	60,464,000	49	23,812,000	4,020,000	" 18
100,804,000	344,000	13,636,000	1,232,000	5,532,000	121,548,000	61,124,000	50	22,956,000	4,076,000	" 25
102,284,000	360,000	10,080,000	1,436,000	6,844,000	120,984,000	61,044,000	50	22,204,000	4,076,000	April 1
102,028,000	348,000	11,708,000	1,416,000	6,448,000	121,948,000	61,024,000	50	23,644,000	4,032,000	" 8
102,188,000	348,000	11,160,000	1,200,000	6,096,000	120,992,000	60,752,000	50	23,916,000	4,028,000	" 15
99,768,000	328,000	11,712,000	1,116,000	7,704,000	120,628,000	61,172,000	51	22,120,000	3,992,000	" 22
100,660,000	332,000	11,612,000	1,176,000	6,908,000	120,688,000	61,404,000	51	23,020,000	3,966,000	" 29
98,040,000	372,000	11,480,000	1,324,000	6,608,000	117,824,000	61,872,000	52	20,708,000	4,012,000	May 7
97,868,000	392,000	11,612,000	1,292,000	6,788,000	117,952,000	61,320,000	52	21,196,000	4,024,000	" 14
96,408,000	356,000	13,124,000	1,366,000	6,894,000	116,952,000	61,984,000	52	20,344,000	3,984,000	" 21
95,520,000	368,000	13,600,000	1,366,000	6,392,000	117,236,000	62,416,000	53	20,116,000	3,880,000	" 28
96,104,000	380,000	13,328,000	1,428,000	6,476,000	117,716,000	62,872,000	53	20,112,000	3,912,000	June 3
94,962,000	372,000	13,696,000	1,228,000	6,968,000	117,116,000	62,872,000	53	19,464,000	3,828,000	" 10
94,892,000	368,000	14,144,000	1,244,000	6,268,000	116,884,000	61,944,000	53	19,464,000	3,808,000	" 17
93,900,000	368,000	13,972,000	1,166,000	6,740,000	116,136,000	63,316,000	54	19,016,000	3,704,000	" 24
95,932,000	384,000	11,208,000	1,208,000	6,952,000	116,724,000	62,700,000	53	19,944,000	3,688,000	July 1
96,840,000	380,000	10,864,000	1,244,000	6,796,000	116,144,000	62,172,000	53	20,172,000	3,696,000	" 8

BANK OF FRANCE.—ANALYSIS OF RETURNS, 1875—continued.

Notes in Circulation.	Drafts to Order, and receipts payable at Branches.	Current Accounts at Paris.	Current Accounts at Branches.	Treasury Accounts.	Total Liabilities to Public.	Coin and Bullion.	Proportion of Coin and Bullion to Total Liabilities to Public.	Bills Discounted.	Other Advances.	Date of Return.
£	£	£	£	£	£	£	Per cent.	£	£	
98,548,000	380,000	9,824,000	1,076,000	6,156,000	115,984,000	61,744,000	53	20,792,000	3,668,000	1875. 15
97,148,000	392,000	9,504,000	1,324,000	6,300,000	114,668,000	62,428,000	54	19,444,000	3,592,000	" 29
96,662,000	360,000	9,320,000	1,528,000	6,868,000	114,528,000	62,480,000	54	19,700,000	3,672,000	" 29
96,500,000	416,000	8,912,000	1,132,000	7,196,000	114,156,000	62,444,000	54	19,688,000	3,572,000	August 6
96,716,000	436,000	8,008,000	1,332,000	8,104,000	113,596,000	62,508,000	55	19,466,000	3,556,000	" 12
94,776,000	364,000	7,000,000	1,068,000	9,148,000	112,356,000	63,562,000	56	19,668,000	3,636,000	" 19
94,686,000	404,000	7,192,000	1,228,000	9,700,000	113,220,000	63,064,000	54	19,672,000	3,660,000	" 26
95,532,000	462,000	9,340,000	1,344,000	9,112,000	115,780,000	64,140,000	55	21,128,000	3,664,000	September 2
94,072,000	400,000	10,072,000	1,104,000	9,820,000	115,468,000	64,756,000	56	20,224,000	3,704,000	" 9
94,364,000	412,000	9,132,000	1,120,000	9,288,000	114,316,000	64,868,000	56	20,000,000	3,668,000	" 16
93,540,000	388,000	9,804,000	1,162,000	9,932,000	114,816,000	65,012,000	57	20,204,000	3,648,000	" 23
96,476,000	412,000	9,216,000	1,072,000	10,164,000	117,640,000	66,096,000	56	23,028,000	3,592,000	" 30
95,076,000	392,000	8,936,000	1,132,000	9,184,000	114,720,000	64,464,000	56	20,828,000	3,668,000	October 7
95,864,000	364,000	8,708,000	972,000	8,780,000	114,788,000	64,068,000	56	21,168,000	3,664,000	" 14
95,672,000	416,000	8,424,000	1,104,000	8,448,000	114,064,000	64,124,000	56	21,312,000	3,692,000	" 21
95,340,000	408,000	9,048,000	1,196,000	8,108,000	114,100,000	64,260,000	56	22,364,000	3,640,000	" 28
96,128,000	424,000	8,728,000	968,000	8,068,000	114,316,000	64,272,000	56	22,824,000	3,668,000	November 4
96,504,000	448,000	7,956,000	1,040,000	8,380,000	114,228,000	64,132,000	56	22,920,000	3,672,000	" 11
96,728,000	412,000	8,084,000	1,156,000	7,872,000	114,252,000	64,216,000	56	23,648,000	3,672,000	" 18
96,944,000	398,000	9,236,000	1,216,000	7,800,000	114,594,000	64,296,000	56	23,696,000	3,676,000	" 26
96,016,000	468,000	8,936,000	1,444,000	8,184,000	114,594,000	64,388,000	56	24,036,000	3,784,000	December 2
96,572,000	436,000	9,968,000	1,220,000	8,192,000	115,028,000	64,956,000	56	23,092,000	3,760,000	" 9
94,564,000	416,000	9,152,000	1,284,000	8,240,000	115,056,000	65,796,000	57	22,612,000	3,776,000	" 16
94,652,000	436,000	10,028,000	1,132,000	8,104,000	114,756,000	66,820,000	58	22,628,000	3,760,000	" 23
97,520,000	472,000	10,712,000	1,248,000	7,560,000	117,512,000	67,008,000	57	26,624,000	3,820,000	" 30
98,404,000	388,000	10,963,000	1,245,000	7,052,000	117,818,000	61,964,000	53	22,966,000	3,906,000	Average of year.

The Rate of Discount charged by the Bank of France was 4 per cent. throughout the year 1875.

TABLE G.—IMPERIAL BANK OF GERMANY.—ANALYSIS OF RETURNS FOR 1876.

[The Reichsmark converted at 1s. in this Table. Taken from the Returns in the "Economist."]

	Circulation.	Deposits.	Total Liabilities.	Coin and Bullion.	Proportion of Coin and Bullion to Liabilities, per Cent.	Advances.
1876	£	£	£	£	£	£
Jan. 7	35,774,000	5,060,000	40,834,000	22,324,000	55	26,208,000
14	33,967,000	5,063,000	39,030,000	21,894,000	56	24,073,000
22	33,362,000	5,059,000	38,421,000	21,864,000	57	23,168,000
31	32,859,000	4,989,000	37,848,000	22,556,000	59	22,186,000
Feb. 7	32,277,000	4,805,000	37,082,000	23,019,000	62	21,378,000
15	32,087,000	4,731,000	36,818,000	23,267,000	63	20,500,000
23	31,856,000	4,691,000	36,547,000	23,823,000	65	20,517,000
29	31,547,000	4,655,000	36,202,000	24,230,000	67	20,292,000
Mch. 7	31,447,000	4,571,000	36,018,000	24,250,000	67	19,949,000
14	31,054,000	4,546,000	35,600,000	25,053,000	70	19,377,000
23	31,292,000	4,496,000	35,788,000	25,349,000	71	19,426,000
31	33,899,000	4,251,000	38,150,000	24,930,000	65	21,262,000
April 7	33,533,000	4,123,000	37,656,000	24,723,000	66	20,995,000
15	32,489,000	4,036,000	36,525,000	25,315,000	69	20,003,000
22	32,216,000	3,972,000	36,188,000	25,799,000	71	20,248,000
29	33,831,000	3,900,000	37,731,000	26,071,000	69	21,513,000
May 9	33,279,000	3,791,000	37,070,000	26,725,000	72	20,916,000
15	32,988,000	3,716,000	36,704,000	27,325,000	74	19,968,000
22	32,539,000	3,677,000	36,216,000	27,911,000	77	19,964,000
29	32,962,000	3,564,000	36,526,000	28,178,000	77	20,383,000
June 7	32,444,000	3,529,000	35,973,000	28,045,000	78	20,205,000
15	33,589,000	3,484,000	37,073,000	28,189,000	76	20,723,000
22	35,331,000	3,441,000	38,772,000	27,593,000	71	22,146,000
30	38,884,000	3,315,000	42,199,000	27,342,000	65	25,734,000
July 7	38,275,000	3,289,000	41,564,000	27,107,000	65	26,223,000
18	36,661,000	3,292,000	39,953,000	26,422,000	66	24,696,000
25	34,626,000	3,260,000	37,886,000	26,669,000	70	24,264,000
31	34,535,000	3,190,000	37,725,000	26,559,000	70	24,106,000
Aug. 7	33,533,000	2,652,000	36,185,000	26,931,000	74	23,331,000
14	33,104,000	2,689,000	35,693,000	26,931,000	75	22,817,000
23	32,850,000	2,666,000	35,516,000	26,901,000	76	22,670,000
31	33,298,000	2,675,000	35,873,000	27,014,000	75	23,105,000
Sept. 7	33,126,000	2,602,000	35,728,000	26,535,000	74	22,605,000
15	33,321,000	2,697,000	36,018,000	26,600,000	74	22,059,000
22	33,770,000	2,602,000	36,372,000	26,259,000	72	22,717,000
30	35,007,000	2,682,000	37,589,000	25,211,000	67	25,134,000
Oct. 7	36,619,000	2,500,000	39,219,000	25,014,000	64	25,136,000
14	36,414,000	2,604,000	39,018,000	24,479,000	63	25,051,000
23	36,248,000	2,599,000	38,847,000	24,618,000	63	25,505,000
31	36,665,000	2,515,000	39,180,000	24,371,000	62	25,972,000
Nov. 7	36,064,000	2,128,000	38,192,000	24,539,000	64	25,185,000
14	35,827,000	2,118,000	37,945,000	24,768,000	65	24,202,000
23	35,460,000	2,133,000	37,593,000	25,141,000	67	24,100,000
30	35,996,000	2,144,000	38,140,000	25,311,000	66	23,921,000
Dec. 7	35,331,000	2,136,000	37,467,000	25,672,000	69	23,242,000
15	35,308,000	2,126,000	37,434,000	25,700,000	69	22,843,000
22	35,794,000	2,142,000	37,936,000	25,561,000	67	23,961,000
30	38,805,000	2,108,000	40,408,000	25,030,000	62	25,302,000
Yearly average	34,201,000	3,388,000	37,589,000	25,523,000	68	32,693,000

TABLE H.—NATIONAL BANK OF BELGIUM.

Yearly Averages of Monthly Returns.

	Metallic Reserve.	Circulation.	Government Accounts.	Private Accounts.
	£	£	£	£
1874	4,396,000	12,044,000	1,228,000	1,012,000
1875	4,618,000	12,768,000	1,337,000	1,164,000

Converting the franc at 25=£1. From the "*Economiste Français*," 29th Jan. 1876.

NATIONAL BANK OF AUSTRIA.

Yearly Averages of Monthly Statements.

	Metallic Reserve.	Circulation.	Current Accounts.
	£	£	£
1875	13,870,000	29,630,000	158,000
1876	13,900,000	28,710,000	122,000

Converting the florin at 10=£1. From the "*Economiste Français*," 13th Jan. 1877.

TABLE I.—BANK OF ENGLAND.—PRIVATE DEPOSITS (AFTER DEDUCTING BANKERS' BALANCES), FROM 1844 TO 1875.

	Annual Average of Private Deposits.	Proportion of Annual Average of Private Deposits to 1844—1844=100.	Per Centage of Private Deposits to Total Deposits per Cent.		Annual Average of Private Deposits.	Proportion of Annual Average of Private Deposits to 1844—1844=100.	Per Centage of Private Deposits to Total Deposits per Cent.
	£	£	%		£	£	%
1844	7,170,000	100	54	1860	9,160,000	127	46
1845	8,440,000	118	55	1861	8,320,000	116	47
1846	11,440,000	159	60	1862	8,950,000	125	42
1847	7,160,000	100	48	1863	8,070,000	114	41
1848	7,550,000	105	50	1864	8,330,000	116	42
1849	8,020,000	112	49	1865	9,000,000	126	43
1850	8,040,000	112	46	1866	10,080,000	140	47
1851	7,880,000	110	48	1867	12,090,000	168	47
1852	9,690,000	135	51	1868	13,400,000	187	53
1853	10,110,000	140	56	1869	11,660,000	162	50
1854	8,470,000	118	58	1870	10,570,000	148	43
1855	8,790,000	122	52	1871	12,930,000	180	45
1856	8,160,000	114	51	1872	12,310,000	171	43
1857	7,420,000	103	43	*1873	10,590,000	148	37
1858	9,520,000	133	48	1874	10,508,000	146	42
1859	10,180,000	142	47	1875	10,847,000	151	41

* After Returns dated 8th January, 1873, the Chancery Balances were included among Government Deposits instead of Private Deposits. The amount at that date was about £1,000,000.

TABLE M.—EXPORTS AND IMPORTS OF UNITED KINGDOM, Amounts passed all the Issuing Banks

	1 Declared Value of Exports and Imports.	2 Increase of Exports and Imports. 1844=100.	3 Amount of Clearing.	4 Increase of Clearing since 1844. 1844=100.	5 Decimal Proportion of Total Exports and Imports to Clearing.
	£		£		
1844—Exports..	59,000,000				
Imports..	85,000,000				
Total*.....	144,000,000	=100	(say) 1,500,000,000	†=100	·96
1868—Exports..	179,000,000				
Imports..	294,000,000				
Total.....	473,000,000	328	3,466,000,000	231	·187
1869—Exports..	189,000,000				
Imports..	295,000,000				
Total.....	484,000,000	336	3,602,000,000	240	·184
1870—Exports..	199,000,000				
Imports..	308,000,000				
Total.....	502,000,000	347	3,904,000,000	260	·128
1871—Exports..	222,000,000				
Imports..	329,000,000				
Total.....	551,000,000	382	4,777,000,000	318	·115
1872—Exports..	256,000,000				
Imports..	354,000,000				
Total.....	610,000,000	423	5,908,000,000	394	·103
1873—Exports..	255,000,000				
Imports..	370,000,000				
Total.....	625,000,000	434	6,161,000,000	411	·101
1874—Exports..	239,000,000				
Imports..	368,000,000				
Total.....	607,000,000	421	5,916,000,000	394	·102
1875—Exports..	228,000,000				
Imports..	374,000,000				
Total.....	597,000,000	414	5,647,000,000	376	·105
1876—Exports..	200,000,000				
Imports..	374,000,000				
Total.....	574,000,004	398	4,959,000,000	331	·116

* 1844, "Porter's Progress of the Nation," p. 358. The exports of British produce include foreign and

† The amount passed by the principal banking houses in London at the Clearing House, As this statement is for 1839, and does not include the Bank of England nor the joint stock therefore estimated at

through the London Clearing House, and the total Bank Note Circulation of in the United Kingdom.

6 Total Bank Note Circulation in the United Kingdom.	7 Proportion of Exports and Imports together to Note Circulation.	8 Proportion of Note Circulation to Clearing.	9 Increase in Bank Note Circulation since 1844. 1844 = 100.	Year.
£				
87,880,000	{ Exports and } 8½ Imports, say	Clearing, say 40	= 0	1844.
89,750,000	{ Exports and } 12 Imports, say	Clearing, say 87	106	1868.
89,850,000	{ Exports and } 12 Imports, say	Clearing, say 90	107	1869.
40,000,000	{ Exports and } 12½ Imports, say	Clearing, say 97	107	1870.
42,060,000	{ Exports and } 18 Imports, say	Clearing, say 118	112	1871.
43,600,000	{ Exports and } 14 Imports, say	Clearing, say 135	117	1872.
43,370,000	{ Exports and } 14½ Imports, say	Clearing, say 142	116	1873.
43,910,000	{ Exports and } 18½ Imports, say	Clearing, say 135	117	1874.
45,332,000	{ Exports and } 18½ Imports, say	Clearing, say 124	121	1875.
46,036,000	{ Exports and } 12½ Imports, say	Clearing, say 107	123	1876.

only are included, as more closely representing British trade than the total exports, which colonial produce. in 1839, is given as £841,401,600. ("Principles of Money," by John Wade, 1842, p. 79.) banks, nor all the private banks, a considerable increase is probable by 1844; the amount is £1,600,000,000 in that year.

THE EXCHANGES IN RELATION TO THE RATE OF DISCOUNT.

THE following remarks of Mr. Ernest Seyd's will be of interest to our readers. We reprint them here, for reference, from the *Times* of 12th September :—

"The current and prospective condition of our money market—i.e., the rate of discount as far as that is dependant upon the stock of gold bullion in the issue department of the Bank of England—may be estimated to some extent by reference to the four principal gold exchanges—viz., those of France, Germany, the United States, and Australia. The French exchange involves the Belgian, Italian, Spanish, and other south of Europe exchanges, including even Egypt; the German exchange leads that of Austria, Russia, and the north of Europe. The business of arbitration in foreign exchanges is so effectually conducted by continental bankers, that any differences in rates are absorbed notably in Paris and in Berlin and Frankfort. The French and German exchanges represent, as far as we are concerned, the European gold market. The United States take the lead of America. The California supplies of gold reach us through New York, mostly in the shape of new gold coin. Australia is always a source of supply to us, and will continue to be so until the gold mines are exhausted. The Indian and Chinese exchanges and others are in the silver valuation, and affect our gold market in an indirect manner.

"The great banks—the Bank of England, the Bank of France, the Reichsbank of Germany, and others—derive their supplies of gold from the general market. They have a fixed price for buying and generally also a steady price for selling gold. The Bank of England pays £3. 17s. 9d. per oz. for bar gold, and sells at £3. 17s. 10½d. to £3. 17s. 11d. per oz.; and coin at corresponding rates. The two other banks deal upon a similar close basis. The gold which is thus in the market, or what may be called 'market gold,' does not directly concern us here, but when it has been incorporated with the currency as bullion for the security of the note issue, and has become 'bank gold,' then the necessity for the action of the rate of interest arises. The issuing banks necessarily desire to keep their stocks of bullion at as safe and regular a percentage to the circulation as possible, and as their prices for buying are irrevocably, and those for selling fairly, fixed, they have no other means of competing (so to speak) for obtaining more or for getting rid of a surplus of gold than by raising or lowering the rate of discount, so as to influence the exchanges in either direction. Hence, besides the momentary state of the exchanges, the percentages of bullion to the circulation of each bank and the rates of discount promulgated should be watched.

"The following are the respective pars of exchange with us :—

France	£1 = 25l. 22½c. (25-2215497)
Germany	1 = 20m. 48pf. (20-4294533)
United States	1 = \$4-867 (4-8665636)
Australia	100 = £100.

"When the short exchanges deviate from these pars, they indicate that one country is indebted to another. When the £1 becomes cheaper in foreign money we are indebted; when it becomes dearer we have to claim. The first deviations are satisfied through, or kept in abeyance by, the remittance of bills on other countries; when the deviations increase, market gold is remitted, and finally gold is taken from the stores of the banks.

"For the purposes here in view, it suffices to state that for France a deviation of 10 centimes or 4 per mille brings us to the respective points for bank gold, that being the difference of buying at the one bank's selling price and selling at the other's buying price and of the cost of forwarding, insurances, &c. Accordingly, when the French exchange on London is at 25f. 32½c., gold comes from Paris to London; at 25f. 12½c. gold goes from London to Paris. For Germany the charges of realization and forwarding may be taken at ½ per cent. or 5 per mille, so that at 20m. 52pf. gold comes from Germany to England, at 20m. 32pf. gold goes from England to Germany.

"The shipments of gold from the United States (mostly eagles) involve about ½ per cent. or 5 per mille, but shipments from here to New York cost more. There being no market in London for bills on the United States, return remittances must be waited for, by which a fortnight's interest is lost. This addition cannot be taken at less than one-third per cent., so that the total cost of the operation would be 8 per mille. Accordingly, when short London in New York is worth—£1 equals \$4.89 gold comes from New York to London; £1 equals \$4.82½ gold goes from London to New York. But here it must be borne in mind that the London exchange in New York is quoted at 60 days' sight; in order to bring this to short, two months' London interest must be added to the 60 days' rate. The freight and insurance on gold from Australia cost about 1½ per cent. The quotation of 60 days' sight bills on London in Australia varies below these costs according to London interest. Sight draughts are usually quoted at 102. The Australian exchange is always in our favour.

"Applying these explanations to the present quotations, we find that—

"The French exchange is at 25f. 17½c. or 2 per mille against us. The Bank of France note circulation is £96 millions, its bullion £88½ millions, or 92 per cent. The rate of interest is 2 per cent. With so large a proportion of bullion, the fiduciary issue is profitless, and the Bank of France cannot desire this *embarras de richesse* to increase. The Berlin short rate of exchange on London is 20m. 45pf. or 1 per mille in our favour. Nevertheless, the German government takes gold from London against its sales of silver, in defiance of all calculation and common sense. If this government disposed of its claims for silver in the proper way, the German exchange would be moderately against us, and instead of the present spasmodic and capricious withdrawals from here, gold would find its way into the Reichsbank in the ordinary regular course. The circulation of the Reichsbank is £33.1 millions, its bullion £26.7 millions or 81 per cent. The bank rate is 4 per cent. The New York exchange at 60 days' sight on London is at \$4.83½c.; at 3 per cent. London interest, equal to \$4.86c. for short. This is against us to 2½ per mille, but, as shown before, full 8 per mille is required before gold is sent from here. The New York exchange may now and then take a spasmodic turn against us and gold be taken from here; but more frequently this turn expires before the mail has time to arrive. There is no quasi-national or central bank in New York, so as to bring about a concentrated action.

"The momentary position of the above three gold exchanges thus indicates that there is no cause for withdrawals from the Bank of England; the gold on the way from Australia will be more than sufficient to supply satiated France. A revival of business cannot proceed so rapidly as to diminish the existing stocks in an alarming manner. On the other hand, our inferior harvest may send some gold to America. More grave is the state of our international trade, the great falling off in our exports; it remains to be seen when and how the effects of this state of things will

develops themselves. Lastly, there is the question of the demonetization of silver in abeyance for the moment.

"For following up these comparisons in a systematic manner a plain form of statement might be adopted. The standard would be:—

FRENCH EXCHANGE..

25 <i>l.</i> 33 <i>½</i> <i>c.</i>	..	Gold point of 4 per mille	..	..	In our favour.
25 <i>l.</i> 22 <i>½</i> <i>c.</i>	..	Par of exchange.	..	..	..
25 <i>l.</i> 12 <i>½</i> <i>c.</i>	..	Gold point of 4 per mille	..	..	Against us.

GERMAN EXCHANGE.

30 <i>m.</i> 52 <i>pf.</i>	..	Gold point of 5 per mille..	..	..	In our favour.
30 <i>m.</i> 45 <i>pf.</i>	..	Par of exchange.	..	..	..
30 <i>m.</i> 32 <i>pf.</i>	..	Gold point of 5 per mille	..	..	Against us.

NEW YORK EXCHANGE.

\$4 890	..	Gold point of 5 per mille	..	..	In our favour.
4 867	..	Par of exchange.	..	..	..
4 827	..	Gold point of 8 per mille	..	..	Against us.

AUSTRALIAN EXCHANGE.

£102	..	Always in our favour.
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"The present exchanges are:—

French exchange short, 25 <i>l.</i> 17 <i>½</i> <i>c.</i> , or 2 per mille	..	..	..	Against us.
German ditto, short, 30 <i>m.</i> 45 <i>½</i> <i>pf.</i> , or 1 <i>½</i> per mille	..	..	..	In our favour.
New York ditto, 60 days, \$4 83 <i>½</i> <i>c.</i> , at 3 per cent. = short \$4 86, or 2 per mille	..	..	..	Against us.
Australian ditto, £102	..	..	..	In our favour.

"The last Bank statements are (in millions sterling)—

	Circulation.	Bullion.	Proportion.	Bank Rate.
Bank of England	£28½	£25	88 per cent.	3 per cent.
Bank of France	96	88½	92	2
German Reichsbank	83	26½	81	4

"These items afford an estimate of the position."

BANKING GROWTH IN AUSTRALIA.

We print from the *Economist* of September 8th the following communication of Mr. Nathaniel Cork:—

SIR,—The following figures, showing the recent growth of Australian banking, may be of interest to your readers.

No statement of the aggregate returns of Australian banks has been published since my paper on the subject in the "*Journal of the Statistical Society*" for March, 1874, which gave the returns to the end of 1872. The totals of that year I now place for comparison with the aggregate balances to the end of 1876.

I will only here point out the wonderful growth of cash deposits from thirty-three millions in 1872 to fifty-three millions in 1876, being an increase of 60 per cent. during a period when banking business in all other parts of the world has been falling off.

The assets under the heading coin and bullion include, in many instances, cash on deposit with London banks and brokers, and the growth of two millions consists entirely of cash balances on this side. One or two banks have increased their specie reserve in proportion to their increased liabilities, but they are quite the exception, and the stock of coin and bullion held in Sydney and Melbourne has decreased since 1872 by about £300,000. That stock, however, according to English notions, would still

be considered very large. By the *Gazette* returns to the 31st December, 1876, the banks in New South Wales held specie amounting to £2,727,100, being more than 45 per cent. of their liabilities on notes in circulation and deposits at call.—I am, sir, your obedient servant,

NATHANIEL CORK.

AGGREGATE RETURNS of AUSTRALIAN and NEW ZEALAND BANKS, taken from published balance-sheets or Colonial Gazettes, in the cases of the Oriental and several local banks.

LIABILITIES.			
	22 Banks. in 1872. End of 1872.		26 Banks. in 1876. End of 1876.
Cash deposits	£33,466,000	.....	£53,357,000
Notes issued	3,433,000	.....	4,475,000
Bills in circulation	6,671,000	.....	9,587,000
Total liabilities to public	£43,570,000	.....	£67,419,000
Total of shareholders' money	13,123,000	.....	16,147,000
	<u>£56,693,000</u>	.....	<u>£83,566,000</u>
ASSETS.			
	End of 1872.		End of 1876.
Coin, bullion, and cash balances	£11,739,000	.....	£13,688,000
Government securities	2,593,000	.....	2,620,000
Bills and debit balances.....	40,958,000	.....	65,438,000
Land and house property	1,397,000	.....	1,820,000
	<u>£56,687,000</u>	.....	<u>£83,566,000</u>

Banking and Commercial Law.

CHARLES AND OTHERS v. BLACKWELL AND OTHERS.

An endorsement "per agent" is within 16 & 17 Vict. c. 59, s. 19. Plaintiffs, through their agent K., sold goods to defendants. Defendants gave K. a cheque in payment payable to plaintiffs on order. K., without defendants' authority or knowledge, endorsed the cheque in defendants' name, adding "per K., agent." The bank paid, and K. kept the money. Plaintiffs sued defendants for the money and in trover for the cheque.

Held, that the bank was justified, under 16 & 17 Vict. c. 59, s. 19, in paying the cheque, that there had been a good payment as between plaintiffs and defendants, and that plaintiffs were rightly nonsuited.

THE plaintiffs sued the defendants in trover for a cheque, and also on the cheque, and for goods sold and delivered. The plaintiffs, Messrs. Charles and Company, were importers of foreign goods, and

in the year 1873 they started a separate business in Japanese fancy goods, which was carried on under the name of Smith and Company. A person named Kingsford was appointed manager of this business. The invoices were headed "Smith and Company, merchants, London," and in the margin were the words "S. Kingsford, agent." The defendants, Messrs. Crosse and Blackwell, ordered goods from the firm of Smith and Company. The order was given to Kingsford, and the plaintiffs made out invoices and forwarded them to Kingsford. Kingsford did not forward these invoices, but he forwarded others at slightly increased prices to the defendants with the goods. Shortly after the defendants' order was completed they drew a cheque on the London and County Bank, payable to Messrs. Smith and Company or order, and handed it to Kingsford in payment for the goods. Kingsford endorsed the cheque "Smith and Co. per S. Kingsford, agent," and presented it at the London and County Bank, where it was paid. Kingsford got into default with the plaintiffs, and the plaintiffs demanded payment from the defendants, and also demanded the cheque, which was refused. This action was then commenced. The trial took place at Guildhall on 26th Nov. 1875, before Lord Coleridge, C.J., who directed a nonsuit. On 12th Jan. 1876 a rule *nisi* was obtained on behalf of the plaintiffs for a new trial on the ground that there was evidence to go to the jury in support of the plaintiffs' case.

Counsel showed cause.—The nonsuit was right, for the bankers were justified by 16 & 17 Vict. c. 59, s. 19 (a) in paying the cheque. It is not necessary in order to bring an indorsement within that enactment that it should purport to be actually written by the hand of the person to whom the cheque is drawn payable. If this were necessary it is difficult to see how that section could ever apply to the indorsement of a company or corporation. The section was much discussed in *Hare v. Copland* (13 Irish C. L. Rep. 426). Although the present point did not arise there, there are expressions in the judgments which are in favour of the defendants in this case, and a case is there cited—*Cookson v. The Bank of England*—of which the judges had obtained a shorthand note, and which is a direct authority for the present contention as to the meaning of the Act. In that case Martin, B., ruled at *nisi prius* that an indorsement per procuration, to which the indorsement here is equivalent, was within the Act. But whether the indorsement is within the

(a) 16 & 17 Vict. cap. 59, sect. 19: "Provided always that any draft or order drawn upon a banker for a sum of money payable to order on demand, which shall when presented for payment purport to be endorsed by the person to whom the same shall be drawn payable, shall be a sufficient authority to such banker to pay the amount of such draft or order to the bearer thereof; and it shall not be incumbent on such banker to prove that such endorsement, or any subsequent endorsement, was made by or under the direction or authority of the person to whom the said draft or order was or is made payable either by the drawer or any endorser thereof."

Act or not, the nonsuit is right; if it is not within the Act, the only remedy which the plaintiffs would have against anyone but Kingsford would be against the bank. The plaintiffs have made Kingsford their agent, and have given him authority to receive payment in the ordinary way, that is, by the cheque. They are, therefore, estopped from disputing the validity of a payment made to Kingsford in the ordinary course of business.

Counsel in support of the rule.—The object of making the cheque payable to Smith and Company, and not to Kingsford, was to prevent Kingsford obtaining the money if he had no authority to do so. The statute only applies to an indorsement purporting to be actually written by the person to whom the cheque is drawn payable. Its object was to protect bankers from the difficulty of having to decide at their own risk whether the signature of the payee of the cheque, which they would not be acquainted with, as they would with their customers' signatures, was genuine. It was not intended to protect them from having to find out whether a person indorsing a cheque for another has authority, which they would have been bound to ascertain before the Act. (See *Parsons on Bills*, vol. 1, page 120, where the cases are collected.) The cheque was given to Kingsford for the plaintiffs, and therefore the property in the cheque was in the plaintiffs. That property is still in them, and they are entitled to recover the cheque in trover, for payment of the cheque to a person who had no authority to indorse cannot alter the property. The defendants are contending that the cheque has been duly paid, that is, they seek to ratify Kingsford's indorsement; but they cannot ratify it for it was a forgery: *Brook v. Hook* (24 L. T. Rep. N. S. 34; L. Rep. 6 Ex. 89; 40 L. J. 50 Ex.)

BRETT, J.—I am of opinion that this rule ought to be discharged. The plaintiffs were creditors of the defendants on an order given by the defendants through Kingsford, the plaintiffs' agent. I think it must be taken that, as between the plaintiffs and the defendants, Kingsford had authority to receive a cheque drawn to the order of the plaintiffs, but that as between him and the plaintiffs he had no authority to endorse the cheque. He endorsed it without authority, and the endorsement was made per procuration. The bank paid and charged the defendants with payment of the cheque, and Kingsford, having received the money, misappropriated it. The plaintiffs sued the defendants, first in trover, because the cheque had been given back to the defendants, and demanded from them by the plaintiffs and refused, and also on the cheque, and for goods sold. The answer of the defendants is that the plaintiffs were paid. It was argued for the plaintiffs that the case must be decided on the supposition that this endorsement is not within 16 and 17 Vict. c. 59, s. 19, and that, although the defendants were authorised to give, and did give the cheque to Kingsford, yet Kingsford, having no authority to endorse, his endorsement was fraudulent, and that as Kingsford had no authority to make the endorsement which

he did make, the money paid on the cheque was not paid on the endorsement of Smith and Company; that the bankers who paid the cheque ought not to have done so; and that the defendants might say to them, "you ought not to have paid that cheque, and there is still money of ours, the amount of the cheque, in your hands," and that, therefore, the plaintiffs may say to the defendants, "you have not paid the amount of the cheque, because your bankers have not paid your money on it." It was further urged that because the cheque was held by Kingsford for the defendants, it had been constructively in their possession, and that, the cheque being theirs, the endorsement made by Kingsford did not take the property in it out of them, and therefore they had a right to demand the cheque. On the other side it was argued that if there was a payment, which was a good payment by the defendants, whether the endorsement was within the statute 16 and 17 Vict. c. 59, s. 19, or not, it was a payment on the cheque, and therefore the plaintiffs, if they cannot sue for the money, cannot sue for the cheque. It was further argued that the case is within the statute (16 and 17 Vict. c. 59, s. 19), and the defendants cannot sue their bankers, and obviously, then, the defendants are protected from liability to the plaintiffs. Irrespective of the statute, I am inclined to think, and should be prepared to hold, that the plaintiffs could not sue for the money, on the ground that the defendants were justified in paying the cheque, not by the invoices, but because, as was admitted at the trial, Kingsford had authority to receive a cheque in this form. Kingsford's endorsement was fraudulent, and before the statute the bankers could not have justified their payment of the cheque. The bank would have paid wrongfully in paying to Smith and Co. on an invalid endorsement, and the defendants might have said that they would not allow their bankers to pay their money on a cheque so endorsed. I am inclined to think that the defendants might adopt the payment, and if so it seems that, as the loss took place through the act of the plaintiffs' agent, they could not insist on the defendants entering into a dispute, and perhaps a lawsuit, with their bankers. Mr. Herschell says that the property in the cheque has not passed from the plaintiffs. I do not see that there would have been any answer to that contention, and I think that the plaintiffs might before the statute 16 and 17 Vict. c. 59, s. 19, have recovered the cheque in an action of trover; but if the bankers were justified in paying the cheque by that statute, the plaintiffs could not sue the bank, nor could the defendants have sued the bank if the loss had fallen on them. Therefore, neither the plaintiffs nor the defendants would have any remedy against the bank, but there has been a good payment by the defendants to the plaintiffs, and there is no colour of value in the cheque for which trover could lie. Now as to the construction of the statute. There is some colour for the argument that as the endorsement was per procuration, and as it does not assume to be in the handwriting

of the plaintiffs, it is not within the section, and that the section applies only to what seems to have been actually written by the person purporting to endorse. Yet, on the whole, I think that is too narrow a construction. The endorsement in this case is undoubtedly equivalent to an endorsement per procuration, for putting in the word "agent" and leaving out "per pro," does not alter the nature or effect of it. An endorsement per procuration is an endorsement by an agent authorised to sign; it is the endorsement of a name, not by a person whose name it is, by a person who is authorised to sign the name as agent of the person whose name it is, so as to bind that person. The question whether an endorsement per procuration is within the section depends upon whether it purports to be by the person to whom the cheque is drawn payable, and I think it is within the terms of the section, for it purports to be the endorsement of the principal, and therefore it is within the Act. Construing the first part of the section by the second part, it appears that it was intended to protect bankers where the cheque seemed on the face of it to be signed by an agent. I therefore think, on the whole, that this endorsement was within the section, and the bankers were protected, and could not have been sued. Therefore, on all grounds, the payment by the defendants was a good payment, and as between the plaintiffs and the defendants, the plaintiffs are the persons who must suffer. The rule will be discharged.

LINDLEY, J.—I am of the same opinion. The question which we have to decide raises two points, one a substantial point, whether the defendants have in fact paid for the goods supplied to them by the plaintiffs, and the other, a technical point, whether the cheque can be taken to have been paid, so that the plaintiffs cannot recover on it. The facts may be taken to be these. The plaintiffs were carrying on business in the name of Smith and Co., and they had an agent named Kingsford, who, being a general agent, had authority to receive payment by cheques; he seems to have had a more extensive authority than the agent had in *Hogarth v. Wherley*. Kingsford, having authority to receive payment by cheque, takes the cheque. He exchanges the cheque for money, and so gets money for the goods which the plaintiffs have sold through him; the goods are paid for by the defendants to him. The plaintiffs seek to recover over again money which in substance the defendants have paid, and it is said on the plaintiffs' behalf, first that the goods have not been paid for, and secondly that the cheque has not been paid. But it seems to me that the goods have been paid for, for Kingsford has received the money for the goods, just the same as he would have received it if the cheque had never been passed. Then, looking at it as an action for the cheque, or on the cheque, if the action is on the cheque, the case seems to stand thus. The bankers have paid a cheque which was endorsed without authority, for I am not prepared to say that, because Kingsford had authority to receive cheques, he therefore had authority to endorse in this

form, at least I should think that he had not for the purpose of charging his principals. Then, can an action on the cheque be sustained, having regard to the provisions of 16 and 17 Vict. c. 19, s. 19? It is said that this was not a cheque purporting to be endorsed by Smith and Co. within the meaning of that Act, because the endorsement was, "Smith and Co. per S. Kingsford, agent." But notwithstanding the words "shall purport to be endorsed by the person to whom the same shall be drawn payable," I am not satisfied that the language of the Act was not intended to cover per procuration endorsements, and I can see no reason for holding that it does not cover them. Moreover, this is not the first time that this view has been adopted, for this was Martin, B.'s, construction of the statute in *Cookson v. The Bank of England*, and in *Hare v. Copland* the court did not dissent from it (though in that case exactly the same point did not arise). Technically, then, the cheque has been paid by the bankers, and therefore it has been paid by the defendants, and to an action on the cheque this payment is an answer, and if this action is in trover for the cheque the same arguments apply. I am therefore of opinion that the nonsuit was right, and that the rule ought to be discharged.

Lord COLERIDGE, C.J.—I am of the same opinion.

QUEEN'S BENCH DIVISION.

RUMBALL v. METROPOLITAN BANK, LIMITED.

Negotiable instrument—Estoppel—Scrip certificates of a limited banking company—Payable to bearer.

A banking company (limited) issued to the plaintiff scrip certificates, which stated that after the payment of the further instalments there mentioned the bearer would be entitled to be registered as the holder of shares of the same value in the company. After the payment of some of the instalments the plaintiff left the certificates, without his name on them, in the hands of a broker to pay the balance as it became due and to deal with the scrip as plaintiff might direct. The broker fraudulently deposited the certificates for value with the defendants, they having no knowledge of any fraud, and he afterwards became insolvent.

It was found as a fact that there had been in existence, ever since such certificates were in use, an universal custom to deal with them as negotiable instruments until the name of the owner was written upon them.

Held, that these circumstances brought the plaintiff's claim for these scrip certificates within the decision of *Goodwin v. Roberts* (L. Rep. 1 App. Cas. 476); that such a custom was sufficient to entitle the defendants to keep them; and that, even if they were not negotiable, the plaintiff's omission to contradict the statement upon them, that they were payable to bearer, prevented his defeating the title which the defendants had acquired.

SUPREME COURT COMMISSION OF OHIO, UNITED STATES OF AMERICA.

JOHNSON v. WAX.

Bills and notes—Evidence of fraud in taking paper as opening antecedent defences.

A holder of negotiable paper, who takes it before maturity for a valuable consideration, in the usual course of trade, without knowledge of facts which impeach its validity between antecedent parties, holds it by a good title; but circumstances tending to show bad faith or fraud in taking such paper are admissible in evidence, and the establishment of such bad faith or fraud, whether by direct or circumstantial evidence, subjects the holder of paper so taken to defences existing between antecedent parties.

Error to the district Court of Portage County.

The plaintiff brought suit in the Court of Common Pleas of Portage County to recover of the defendant the amount of two promissory notes of 75 dols. each, of which the following is a copy:—

"Post Office address, Suffield, County of Portage, State of Ohio,
"July 29, 1869.

"Three months after date, I promise to pay to the order of L. A. Wilders, 75 dols., for value received, with use.

[Stamp.]

"SOLOMON WAX."

"Indorsed: I hereby certify that I am worth 8,000 dols., consisting of personal property to the amount of 1,000 dols., and 117 acres of land. I make this statement for the purpose of obtaining credit.

"Indorsed, without recourse, to L. A. Wilder."

The second note is like the first, except due in four months after date.

On the trial, the plaintiff admitted that the notes were given for a worthless patent right metallic roofing cement, and were without consideration as between the original parties.

The proof shows that one Louis D. Joy bought the notes before maturity; that Joy paid 100 dols. cash for each 150 dols. of notes, and received them indorsed "without recourse;" that the plaintiff bought the notes of Joy before maturity, and paid the face thereof in coal stock of the Trumbull Coal Company (an incorporated mining company), at fifty cents on the dollar of its par value; that the coal stock was delivered to Joy, and the notes to Johnson before they matured, and without any actual notice of any defence.

On the trial the plaintiff asked the court to charge the jury as follows:—

"1. Suspicion of defect of title, or fraudulent inception, or the knowledge of circumstances which would excite such suspicion in the mind of a prudent man, or gross negligence on the part of the taker at the time of the transfer, will not defeat his title; that result can be produced only by bad faith on his part; mere want of caution and care is not enough.

"2. In brief, did the plaintiff or Joy buy the notes in good faith and without fraud, for value, before due? If so, and without notice of any defect, plaintiff is entitled to recover. It is a question of good faith and fraud, and not of carelessness or negligence on the part of plaintiff or Joy, unless it amounts to fraud or want of good faith.

"3. That the law presumes *prima facie* in favour of every holder of negotiable paper, that—1st. He is the owner of it; 2nd. That he took it for value; 3rd. Before due; 4th. In the regular course of trade; and plaintiff is entitled to recover, unless these presumptions of law are overcome by proof in the case."

The court refused to charge as requested, but charged the jury upon the point in question as follows:—

"If the proof shows that both Johnson and Joy took these notes with notice of their infirmities, then plaintiff ought not to recover, and upon this proposition the burden of proof rests upon the defendant.

"To constitute a sufficient notice, it is not essential that the party should have had actual positive notice of the defects of the notes, but if the circumstances and facts connected with and surrounding the transfer, whether they appeared upon the notes themselves, or outside of them, were of such strong and pointed character as to put the purchaser on inquiry, then the law presumes that he did make those inquiries, or that if he did not he should bear the responsibility in the same manner as if he had made them, and they had led him to a full knowledge of the whole truth connected with giving the notes. The purchaser was not bound to make inquiries, unless there was something in the case that would have put an ordinary careful and prudent man upon investigation. But while the purchaser was not bound to make inquiries from motives of mere curiosity and suspicion, yet he was not at liberty to shut his eyes to facts and circumstances that presented themselves to him, if these facts and circumstances would have attracted the attention of a man of common prudence. It was not enough if the facts and circumstances were merely sufficient to suggest inquiry by the most cautious; nor does the law require circumstances so startling as to awaken investigation on the part of the most dull and stolid. But if the defendant has shown you by testimony, to your satisfaction, that Joy and Johnson had actual notice at the time of the purchase of the notes of their defects and infirmities, or if they had such knowledge of facts and circumstances as to put a reasonable and prudent man upon inquiry, then the plaintiff cannot recover."

To the refusal of the court to charge as requested, and to the charge as given, the plaintiff excepted. Judgment was rendered for the defendant, and on petition in error the judgment of the Common Pleas was affirmed by the district court. It is now sought to reverse the judgments of the courts below, for error in the charge given to the jury on the trial in the Court of Common Pleas.

DAY, J.—The questions made in the case relate to the rights of indorsees of negotiable paper, and arise upon the charge of the court to the jury. Though other questions are made in argument, we do not deem it important to notice here but one of the grounds of exception. The court charged the jury, that as the notes were conceded to be invalid as between the original parties, the plaintiff, though an indorsee of the notes for value before due, could not recover, if he had such knowledge of facts and circumstances as to put an ordinarily careful and prudent man upon inquiry as to the infirmities of the notes. The question then is, whether this rule is to be applied to a holder of negotiable paper, to whom it is indorsed in the usual course of trade, for value before due. It was early the settled law in England, in regard to paper drawn in a form to pass from hand to hand in the course of business and trade, that the holder, who came by it fairly and honestly before due, for a valuable consideration, had a good title: *Salk*, 126; *Miller v. Race*, 1 Bur. 452; *Peacock v. Rhodes*, Doug. 633; *Lawson v. Weston*, 4 Esp. 26; *Gorgier v. Mievill*, 3 Barn. & Cress. 45. In 1824, in *Gill v. Cubit*, 3 Barn. & Cress. 466, the Court of Queen's Bench added a new limitation to the title of the holder of negotiable paper, and held that he acquires no title as against the equities of antecedent parties, if he takes it under circumstances which would excite the suspicions of a prudent and careful man. This rule was followed for a number of

years in England, and by many of the courts of this country. But in 1834, in *Crook v. Jadis*, 5 Barn. & Ad. 909, this rule was so far shaken that an indorsee of a bill of exchange was permitted to recover against the drawer, unless he proved that the indorsee was guilty of gross negligence in taking the bill; and two years later, in *Goodman v. Harvey*, 4 Ad. & El. 870, it was decided that gross negligence is not alone enough to destroy the title of a holder for value, but that a case of bad faith in taking the security must be made against him, in order to defeat his claim. Since 1836, the rule established in *Goodman v. Harvey* has been followed by the British Courts, and may now be regarded as the settled law of that country: *Raphael v. The Bank of England*, 17 C.B. (84 E. C. L.) 161. Although the rule declared in *Gill v. Cubitt* has been followed by many of the courts of this country, it has been so generally repudiated by the modern decisions, and that of *Goodman v. Harvey* approved, that the doctrine of the case may now be regarded to be the American as well as English law upon the subject: *Worcester County Bank v. Dorchester and Milton Bank*, 10 Cush. 488; *Smith v. Livingston*, 111 Mass. 342; *Matthews v. Poythress*, 4 Geo. 287; *Miller v. Finley*, 26 Mich. 249; *Phelan v. Moss*, 67 Penn. St. 59; *Magee v. Badger*, 34 N. Y. 247; *Belmont Bank v. Hoge*, 35 N. Y. 65; *Goodman v. Simonds*, 20 How. 343; *Murray v. Lardner*, 2 Wall. 110; *Hotchkiss v. National Bank*, 21 Wall. 354; 1 Smith's Lead. Cas. (7th Am. ed.), 825; *Redfield & Bigelow's Lead. Cas. on Bills and Notes*, 357. In the case of *The Belmont Bank v. Hoge* (*supra*), the view of the New York Court of Appeals upon the question is stated as follows:—"One who, for full value, obtains from the apparent owner a transfer of negotiable paper before it matures, and who has no notice of any equities between the original parties, or of any defects in the title of the presumptive owner, is to be deemed a *bonâ fide* holder. He does not owe to the party who puts such paper in circulation the duty of active inquiry, to avert the imputation of bad faith. The rights of the holder are to be determined by the simple test of honesty and good faith, and not by mere speculation as to his probable diligence or negligence." In *Smith v. Livingston*, 111 Mass. 345, the court disapprove the rule of *Gill v. Cubitt*, and say:—"Circumstances which might excite the suspicions of one man might not attract the attention of another. It is a rule which business men cannot act upon in the ordinary affairs of life with any certainty that they are safe." In *Murray v. Lardner* (*supra*), the law in regard to negotiable paper, as settled by the Supreme Court of the United States, is summarised as follows: "The party who takes it before due for a valuable consideration, without knowledge of any defect of title, and in good faith, holds it by a title valid against all the world. Suspicions of defect of title or the knowledge of circumstances which would excite such suspicion in the mind of a prudent man, or gross negligence on the part of the taker at the time of the transfer, will not defeat his title. That result can be produced only by bad faith on his part. . . . The rule may perhaps be said to resolve itself into a question of honesty or dishonesty, for guilty knowledge and wilful ignorance alike involve the result of bad faith." It was, moreover, settled in that case, that circumstances tending to show bad faith or fraud in taking such paper, though not conclusive in themselves, are admissible in evidence, and the establishment of bad faith or fraud, whether by direct or circumstantial evidence, is fatal to the title of the party so taking it. The rule established in these cases neither restricts the usefulness of paper made to pass from hand to hand in commerce, nor does it relieve the party taking it from the obligations of good faith. This rule may be more readily applied than that laid down in *Gill v. Cubitt*, for a rule based on good faith as a standard is more easily

comprehended than one grounded upon speculations as to what ought to excite the suspicions of a prudent man. A prudent man, it has been well said, may be more or less suspicious under similar circumstances at one time than at another, and may also suspect where another equally prudent would not; and the standard of the jury may be higher or lower than that of other men who are prudent in the management of their affairs. The point in controversy has not been directly determined by the Supreme Court of the State. The rules laid down in *Davis v. Bartlett*, 12 Ohio St. 534, which are stated in the syllabus, are, however, in harmony with that of *Goodman v. Harvey*, so is the decision in *Bassett v. Avery*, 15 Ohio St. 299, as well as the principle upon which the case was decided. But a remark upon a hypothetical case stated in the opinion delivered in *Bassett v. Avery* warrants the charge to the jury complained of in this case. Speaking of what might constitute a defence against an indorsee of a negotiable note, it is said:—"If such circumstances of suspicion had been shown to exist as ought to have put Bassett upon inquiry before purchasing, he would be presumed to have either made the inquiry and ascertained the truth, or have been guilty of a degree of negligence equally fatal to his claim to be considered a *bond fide* purchaser." This statement is made upon the authority of *Williamson v. Brown*, 15 N. Y. 354; but that case did not relate to negotiable paper; and we have seen, moreover, that a different rule now obtains in New York in reference to that kind of instrument. In *McKesson v. Stanbury*, 3 Ohio St. 156, it was only necessary to determine upon which party the burden of proof rested, and the case, as explained, and upon the principles settled in *Davis v. Bartlett*, was decided right. The statement in the opinion in regard to the prudence required of an indorsee of negotiable paper was unnecessary to the decision of the case, and like that of a similar character in *Bassett v. Avery*, may be regarded only as a *dictum*. Without questioning the correctness of the decisive points of these cases, we do not feel bound to follow the *dicta* referred to. Although entitled to great weight as the utterances of able judges, and warranted by a line of decisions, they were, however, only incidental remarks in the cases in which they were made, and are not in accordance with the rule as now settled by repeated decisions of the highest courts of England and America. Guided by the leading authorities of both countries, we are brought to the following conclusions:—A holder of negotiable paper, who takes it before maturity for a valuable consideration, in the usual course of trade, without knowledge of facts which impeach its validity between antecedent parties, holds it by a good title. To defeat his recovery thereon, it is not sufficient to show that he took it under circumstances that ought to excite suspicions in the mind of a prudent man. To have that effect, it must be shown that he took the paper under circumstances showing bad faith or want of honesty on his part. Circumstances tending to show bad faith or fraud in taking such paper, though not conclusive in themselves, are admissible in evidence; and the establishment of such bad faith or fraud, whether by direct or circumstantial evidence, subjects the holder of paper so taken to defences existing between antecedent parties.

SCOTT, C. J., WRIGHT, JOHNSON, and ASHBURN, J. J., concurred.

DEPOSIT ACCOUNTS.

THE printed marginal clause in his deposit receipt on which, principally, Mr. Deniaud based his claim upon the *Comptoir d'Escompte de Paris*, is a

very dangerous one for the bank, and that the manager so thought it, is evident from the fact that he added to it the equivalent of words "in case the Comptoir should consent to refund before the expiry of the term of deposit." The simple phrase is so calculated to mislead that probably the balance of public opinion was in this particular case against the bank. Most people, we imagine, thought that the judgment of the court would be in favour of the plaintiff. This view would further be supported by the notorious fact that the Comptoir d'Escompte, as well as the English banks, has more than once returned deposits to depositors who, under exceptional circumstances, wished to withdraw them before the date of their expiry. Cases have occurred in which at least one of the banks here has refunded deposits before the due date, to persons returning home, together with interest at the rate stipulated to be paid on the whole amount for the entire term of the deposit, up to the date of withdrawal. But this has been done as a matter of favour, not of right. Indeed, from the bank to which we allude there could be no hope of recovery by process at law, as its deposit receipts contain no such dangerous clause as that on which Mr. Deniaud proceeded against the Comptoir d'Escompte. So dangerous is that clause, that, in spite of the addition made to it by the management, it is questionable whether another judge, equally impartial as Mr. Kraetzer, might not have come to an opposite decision. This is eminently one of those cases in which the scales of justice were so exactly balanced, that it sufficed for a feather's weight of argument to turn the beam either way. Decidedly, the sympathy of the public is with the depositor; but, after reading and re-reading Mr. Kraetzer's painstaking decision, we are forced to acknowledge the correctness of his reasoning and the justice of the judgment to which it leads him. That unfortunate marginal clause was the cause of all the difficulty. Deposit receipts would certainly be better without it, and, to avoid the possibility of other such suits as that just decided, it is to be hoped that the Comptoir d'Escompte de Paris will have it expunged in all future instances in which it may receive interest-bearing deposits and issue receipts. We will not enter into the merits of the case as between Mr. Deniaud and the Comptoir, further than to say that we have no doubt that the plaintiff acted in perfect good faith. He wanted his money for a particular purpose, and claimed it at a time when it did not suit the bank, not on account of the amount, but as a matter of principle, to refund it. His case may have been one of great inconvenience; but individual cases of inconvenience are not to be considered in the economy of a large business, any more than in the economy of nations or of nature. At the same time it were well that all occasion for offence were removed from the management of so universal and respected a business as that of the Comptoir d'Escompte; and we cannot but regret that the management could not have satisfied Mr. Deniaud, have kept the matter out of a public court, and taken measures to secure that no claim similar to his could be brought with a shadow of reason in future. To have done so would have been very simple. Parenthetically, we must remark that the counter-claim put in by the manager for 3,000 francs damages was so frivolous and beneath the dignity of the concern he represents, that we cannot even compliment the consul upon not entertaining it. Did the manager imagine for one instant that it could be entertained?

One word on the *principle* vindicated by the bank, a principle which it is a pity was not simply contended for. As it stands it is staunch enough, and has no need of such puerile support as "counter-claims" in its vindication. Leaving the clause which has caused the present mischief out of

consideration, persons depositing money in a bank on accounts bearing interest for fixed terms, are in the same position as persons lending money on promissory notes, or mortgage for a term. What would be said of a person who should endeavour to recover in a court of law the amount of a promissory note before it fell due; or of the holder of a mortgage who should try to foreclose before it expired? Private arrangements might be made whereby the borrower, for his own or the lender's convenience, might repay the money before it was actually due; but such repayment would be essentially matter of mutual convenience and agreement. And the case as between depositors on interest-bearing accounts and the banks is exactly analogous. If a bank receives a deposit for a fixed term, agreeing to pay a percentage of interest during that term, and to refund the money, principal and interest, on its expiry, a depositor is kicking against the pricks if he insists, as a matter of right, on the refund of his money in the interim. Banks are generally willing to oblige good clients; but it is conceivable that, if the right of depositors to withdraw fixed deposits, before expiry of the term of deposit, were once recognised, a particular crisis, like that which has recently occurred in the rise of exchange, might seriously inconvenience the banks. Fancy all depositors rushing *en masse*, when exchange was at $4\frac{1}{6}$ or higher, to the banks to withdraw their deposits!

But for that clause in the Comptoir's deposit receipt form there could have been no trouble. "Behold, how great a matter a little fire kindleth!" —*The Japan Gazette.*

Reports of Joint Stock Banks.

THE ANGLO-EGYPTIAN BANKING COMPANY, LIMITED.

REPORT of the directors presented at the ordinary half-yearly general meeting of the company, at the Cannon Street Station Hotel, on Thursday, the 31st May, 1877.

The directors have the satisfaction of informing the shareholders, that since the last half-yearly meeting, the Egyptian Government Securities held by the bank have been converted into unified stock, and the dividend thereon received. These assets are, consequently, now in a negotiable form, and although their market value has fallen from general causes, the position of the bank is such that no necessity exists for realizing any portion of them.

In addition to the government securities, the bank hold a moderate amount of Daira bonds, which, in pursuance of the arrangements made by Mr. Goschen, with the consent of the principal creditors, will shortly be converted into a negotiable stock, bearing a minimum interest of $\$5$ per cent., and redeemable by a sinking fund.

The directors consider that they are acting in the best interests of the bank, and conformably to the wishes of the shareholders, in holding firm their securities until Egypt emerges from her present difficulties, and they fully anticipate that the great natural resources of the country, combined with the improved management introduced into financial affairs under the new European Administration (which, from recent and authentic advices, is working in a most efficient manner) will rapidly restore confidence and commercial activity, and raise Egypt to the prosperous position she may justly be expected to occupy.

The directors think it only due to Mr. Goschen here to place on record their very high appreciation of the able and disinterested manner in which he carried

out the arduous task he generously undertook, on behalf of the creditors of Egypt.

The directors at the last meeting held out a hope, that, if certain sums falling due in the early part of the present year were duly met, they would be in a position to recommend an interim dividend to the shareholders; but, notwithstanding the progress made in the collection of these amounts, the depreciation in all securities caused by the commencement of the war between Russia and Turkey has greatly disturbed their calculations, and they consider that in the present position of affairs their duty is to husband the resources of the bank, so as to be able to take advantage of the revival of trade which is shortly expected in Egypt. On the other hand, the directors have the satisfaction of informing the shareholders that they have been able to reduce still further the expenses of the bank, whilst preserving it in a perfectly efficient state, and capable of undertaking any business that may be entrusted to it.

In accordance with the articles of association, no accounts are submitted to this meeting, the practice of the bank requiring them to be made up annually to the end of August, and presented to the meeting which is held in November.

As required by the articles of association, one of the directors, Mr. Charles Hill, retires by rotation, and, being eligible, offers himself for re-election.

Mr. Arthur Cooper and Mr. G. G. L. Macpherson, the auditors, also retire, and both gentlemen, being eligible, offer themselves for re-election.

THE AUSTRALIAN JOINT STOCK BANK.

Forty-ninth report presented to the shareholders at the half-yearly general meeting, held at Sydney, 25th July, 1877.

The directors have pleasure in submitting the report for the half-year ending 30th June, 1877. The accounts have been examined and certified by the auditors. The net profits for the half-year, after deducting rebate on bills, interest on fixed deposits, and providing for all bad and doubtful debts, amount to £36,219. 7s. 7d.; to which has to be added the balance of undivided profits from 31st December, 1876, £3,636. 18s. 8d.—making available for distribution, £39,856. 6s. 3d. to be appropriated as follows:—To the reserve fund, £10,000; to dividend at rate of 10 per cent. per annum, £25,000; to bonus of 1s. per share equal to 1½ per cent. per annum, £3,125; leaving a balance to be carried forward of £1,731. 6s. 3d. Branches of the bank have been opened at the Haymarket and Glebe, Sydney, and at Bundarra, in the New England district, New South Wales.

Balance-sheet, 30th June, 1877.

<i>Dr.</i>									
Capital paid up, £500,000; reserve fund, £105,000	..	..	..	..	..	£605,000	0	0	
Notes in circulation	..	..	..	..	..	273,284	0	0	
Bills in circulation and other liabilities	..	..	..	..	..	580,512	3	10	
Deposits	..	..	..	..	..	2,296,047	13	2	
Profit and loss	..	..	..	..	..	46,400	13	7	
							£3,801,244	10	7
<i>Cr.</i>									
Coin and bullion	..	..	..	..	..	£411,788	13	1	
Cash balances and notes of other banks	..	..	..	..	..	192,615	6	2	
Government securities	..	..	..	..	..	31,700	0	0	
Bank premises	..	..	..	..	..	81,789	2	7	
Bills discounted, and other debts due to the bank	..	..	..	..	..	3,083,348	8	9	
							£3,801,244	10	7

Profit and Loss Account.

<i>Dr.</i>									
Rebate on current bills	..	..	..	..	..	..	..	£6,544	7 4
Reserve fund	..	..	..	..	..	..	..	10,000	0 0
Dividend at rate of 10 per cent. per annum	..	..	..	..	..	..	..	25,000	0 0
Bonus of 1s. per share on 62,500 shares	..	..	..	..	..	..	..	3,125	0 0
Balance carried forward to next half-year..	..	..	..	..	..	..	..	1,731	6 3
								£46,400	13 7
<i>Cr.</i>									
Balance brought forward from last half-year	..	..	..	..	..	..	..	£3,636	18 8
Profit for the half-year ending 30th June, 1877	..	..	..	..	..	..	..	42,763	14 11
								£46,400	13 7

Reserve Fund.

<i>Dr.</i>									
Balance..	..	..	..	..	..	..	..	£115,000	0 0
<i>Cr.</i>									
Balance from 31st December, 1876 ..	..	..	..	..	..	..	..	£105,000	0 0
Amount from profit and loss..	..	..	..	..	..	..	..	10,000	0 0
								£115,000	0 0

The report was adopted, and ordered to be printed and circulated among the proprietors.

A vote of thanks was given to the directors and officers of the bank for their successful management during the past half-year.

BANK OF BENGAL.

Report by the directors for the half-year ended 30th June, 1877.

An active export trade, coupled with extensive operations in grain on account of the famine in the Madras and Bombay Presidencies, caused a good demand for money throughout the greater part of the half-year, and for several weeks in April and May the calls upon the bank's resources were very heavy. From the beginning of January to the middle of April, the bank's minimum rate of interest ranged from 8 to 10 per cent. On 19th April it was raised to 11 per cent., and on 10th May to 12 per cent. After the latter date, owing to a decreasing trade demand and the arrival of large remittances of specie from England, the pressure for money gradually declined and the directors reduced the rate by successive steps in May and June to 6 per cent., at which it stood at the close of the half-year. The net profit at head office and branches, including Rs. 17,078. 6 3, brought from the previous half-year, amounted to Rs. 14,04,275. 8 9, which the directors appropriated as follows:—1. In payment of a dividend at the rate of 10 per cent. per annum, Rs. 10,00,000; 2. Transfer to bad and doubtful debt account, Rs. 40,000; 3. Transfer to reserve fund, Rs. 2,40,511. 9 5; 4. Carried forward to profit and loss account of next half-year, Rs. 1,23,763. 15 4 = Rs. 14,04,275. 8 9. The directors have pleasure in stating that the results of the operations of the branches for the six months under review are very satisfactory. In March last the directors granted leave of absence for twelve months, on medical certificate, to Mr. R. Hardie, secretary and treasurer, and appointed Mr. W. D. Cruickshank, deputy-secretary, to officiate during his absence. At the annual general meeting in August, Mr. J. F. Ogilvy and Mr. T. H. Wordie retire from office as directors, but they are eligible for re-election, and offer themselves accordingly. Auditors will have

to be elected and their remuneration fixed. The present auditors, Mr. H. W. I. Wood and Mr. R. Roberts, offer themselves for re-election. The usual half-yearly statements of accounts and the auditors' report are annexed.

Statement of Affairs on the 30th June, 1877.

LIABILITIES.

<i>Dr.</i>			
Capital paid up	Rs. 2,00,00,000	0	0
Reserve fund	19,00,000	0	0
Public deposits at head office, Rs. 1,16,91,061	11	6;	
Ditto ditto at branches, Rs. 1,69,91,061	4	..	
Other deposits at head office and branches	2,86,82,123	0	2
Bank post bills, &c.	2,16,29,110	13	9
Sundries	5,28,671	2	11
	16,04,276	5	11
	Rs. 7,42,44,181	6	9

ASSETS.

<i>Cr.</i>			
Government securities	Rs. 1,40,79,470	3	2
Loans on Government securities at head office and branches	42,75,798	10	3
Accounts of credit on do. do. do.	42,39,833	11	10
Bills discounted and purchased	2,11,11,012	7	10
Balances with other banks	12,31,319	4	8
Bullion	9,50,644	13	3
Dead stock	10,00,968	7	7
Stamps	9,162	5	1
Sundries	4,88,339	9	8
	4,73,86,549	9	4
Cash and currency notes at head office, Rs. 1,30,63,375	4	4 ;	
Cash and currency notes at branches, Rs. 1,37,94,256	9	1	
	2,68,57,631	13	5
	Rs. 7,42,44,181	6	9

Profit and Loss Account.

RECEIPTS.

Amount brought forward from last half-year, Rs. 17,078	6	3 ;	
Amount received in interest, discount, exchange, commission, &c., at head office and branches, Rs. 18,41,011	6	6	.. .. .
	Rs. 18,58,089	12	9

DISBURSEMENTS.

Establishment at head office and branches, Rs. 3,20,801	15	8 ;	
Pensions, Rs. 9,237	3	;	
Directors' fees, Rs. 9,506; Auditors' fees, Rs. 2,500; Law charges, Rs. 6,137	11—	CONTINGENCIES—Stationery, Rs. 19,678	13
Lighting, Rs. 3,707	14	2 ;	
Printing, Rs. 3,076	13	3 ;	
Advertisements, Rs. 1,709	1	3 ;	
Rent of branch premises, assessments, and miscellaneous charges at head office and branches, Rs. 57,891	10	5 ;	
Allowance for wear and tear of bank property, Rs. 19,567	1	9	.. .. .
	4,53,814	4	0
Net profit	Rs. 14,04,275	8	9

* Rs. 6,72,279 15 11 of which represent amount of old notes still outstanding of the bank's circulation which was withdrawn in 1863.

Amount set aside for payment of a dividend at the rate of 10 per cent. per annum, Rs. 10,00,000; Amount transferred to reserve fund, Rs. 2,40,511 9 5; Amount transferred to bad and doubtful debt fund, Rs. 40,000; Balance carried forward to profit and loss new account, Rs. 1,23,763 15 4

Rs. 14,04,275 8 9

Reserve Fund.

Balance on 31st December, 1876 Rs. 16,72,639 2 5

Bank of Bengal notes paid during the half-year, Rs. 2,470;

Loss on sale of premises, furniture, &c., at branches now closed, Rs. 10,680 11 10

13,150 11 10

16,59,488 6 7

Amount transferred from profit and loss account

2,40,511 9 5

Rs. 19,00,000 0 0

BANK OF BOMBAY.

THE directors beg to submit to the proprietors the audited accounts of the bank for the half-year ended 30th June. The period has been a marked one in the annals of the presidency. Famine unhappily prevailed over large districts, and relief works were undertaken by Government. Owing to the short rainfall last season, there was little cotton grown in the southern Maharatta country, and the directors have temporarily closed the branch at Hooblee. In most of the other cotton districts the crop was a fair one, and business was progressing satisfactorily until political events interfered with the home markets, and materially checked local operations. The directors regret to say that a loss of Rs. 28,000 has been incurred by forged endorsements on Government securities. They have great hopes of being able to recover a part, if not the whole, of the amount. Meanwhile it has been debited to bad and doubtful debt account, and provision made by a transfer from profit and loss account. The reserve fund now amounts nominally to 20 per cent. of the bank's capital, but the sums put aside year by year were at once invested at current rates in Government securities, which stand at a much higher price than could now be realised by their sale. The directors have, therefore, applied one lakh in reduction of the cost of the securities, or more properly in strengthening the reserve fund, so that the value of the securities shall represent the sum of twenty lakhs. The profit and loss account shows a net gain of Rs. 7,77,733-1-6, including the balance of Rs. 1,74,170-7-6 brought from the half-year ended 31st December last. The directors have appropriated the amount as follows:—

In payment of a dividend at the rate of 12 per cent. per annum

Rs. 6,00,000 0 0

In transfer to the reserve fund

1,00,000 0 0

In reduction of cost of premises

20,000 0 0

In transfer to bad and doubtful debt account ..

30,000 0 0

And they have carried forward the balance of ..

27,733 1 6

Rs. 7,77,733 1 6

Mr. A. J. Macdonald resigned his seat at the board on leaving India, and Mr. Henry Forman has been appointed a director of the bank in his stead. Mr. Henry Forman and Mr. E. D. Sassoon retire from office on this occasion, and are eligible for re-election. The shareholders will have to elect auditors for the ensuing year, and to fix their remuneration. The present auditors, being eligible, offer themselves for re-election.

Statement of the affairs of the Bank on 30th June, 1877.

<i>Dr.</i>									
Capital	..	..	..	..	..	..	Rs. 1,00,00,000	0	0
Reserve fund	..	..	..	..	..	..	20,00,000	0	0
Public deposits at head office	..	..	..	..	..	..	90,62,921	5	10
Do. do. branches	..	..	..	..	..	..	23,69,837	6	8
Other deposits	..	..	..	..	..	..	1,20,37,292	15	0
Bank post bills outstanding	..	..	..	..	..	..	47,305	15	7
Profit and loss account.. .. .	..	..	..	..	..	..	7,77,733	1	6
								<u>Rs. 3,62,95,090</u>	<u>12 2</u>

<i>Cr.</i>									
Government securities	..	..	..	..	..	..	Rs. 30,24,677	8	0
Loans on Government securities, goods and metals.. .. .	..	..	..	..	..	..	63,26,926	15	7
Cash credits do.	..	..	..	..	..	..	10,95,365	10	2
Overdrawn current accounts	..	..	..	..	..	..	14,815	1	0
Bills discounted and purchased	..	..	..	..	..	..	86,07,374	14	0
Balances with other banks	..	..	..	..	..	..	2,45,899	7	6
Premises and furniture—original cost, Rs. 5,17,362 3a. 2p.; written off for deterioration, Rs. 1,55,000	..	..	..	..	..	..	3,62,362	3	2
Stamps	..	..	..	..	..	..	3,707	3	0
Stationery value on hand	..	..	..	..	..	..	22,000	0	0
Adjusting account	..	..	..	..	..	..	83,608	8	11
Cash and currency notes and bullion	..	..	..	..	..	..	1,65,08,353	4	10
								<u>Rs. 3,62,95,090</u>	<u>12 2</u>

Abstract of Profit and Loss Account on 30th June, 1877.

<i>Dr.</i>									
Salaries at head office and branches	..	..	..	..	..	..	Rs. 1,53,507	9	11
Directors' and auditors' fees	..	..	..	..	..	..	9,970	0	0
Rent, taxes, insurance and lighting	..	..	..	..	..	..	3,889	14	0
Law charges	..	..	..	..	..	..	2,364	2	0
Miscellaneous charges	..	..	..	..	..	..	20,428	4	2
Brokerage	..	..	..	..	..	..	921	5	0
Stationery	..	..	..	..	..	..	3,267	15	2
Net profit for the half-year	..	..	..	..	..	..	6,03,562	10	0
								<u>Rs. 7,97,911</u>	<u>12 3</u>

<i>Cr.</i>									
Amount of interest, exchange, discount, commission, and interest on Government securities received at head office and branches	..	..	..	..	..	..	Rs. 7,97,911	12	3

Profit and Loss Account from 1st January to 30th June, 1877.

<i>Dr.</i>									
Dividend for half-year ended 31st December, 1876	..	..	..	..	..	..	Rs. 2,50,000	0	0
Balance at credit of this account	..	..	..	..	..	..	7,77,733	1	6
								<u>Rs. 10,27,733</u>	<u>1 6</u>
<i>Cr.</i>									
Balance of this account on 1st January, 1877	..	..	..	..	..	..	Rs. 4,24,170	7	6
Net profit for half-year ending 30th June, 1877	..	..	..	..	..	..	6,03,562	10	0
								<u>Rs. 10,27,733</u>	<u>1 6</u>

BANK OF BRITISH COLUMBIA.

REPORT of the directors to the proprietors at the general meeting, held at London, 4th September, 1877.

The directors, in submitting to the shareholders the statement of accounts for the half-year ended 30th June last, have to report that after paying all charges, deducting rebate of interest on bills not due, and making provision for bad and doubtful debts, the balance at the credit of profit and loss account at that date was £14,129. 6s. 7d., which they propose to appropriate as follows, viz.:—£12,110 in payment of a dividend for the half-year at the rate of 7 per cent. per annum, leaving £2,019. 6s. 7d. to be carried forward.

Statement of Liabilities and Assets at Head Office and Branches, 30th June, 1877.

LIABILITIES.

<i>Dr.</i>			
Capital paid up	£346,000	0	0
Reserve fund	35,000	0	0
Deposits, notes in circulation, bills payable, and other liabilities	413,084	18	9
Balance of profit and loss account on 30th June, 1877.. ..	14,129	6	7
	<u>£808,214</u>	<u>5</u>	<u>4</u>

ASSETS.

<i>Cr.</i>			
Specie and bullion in hand and cash at bankers.. ..	£172,307	3	1
Bills discounted, bills receivable, and other securities	608,125	9	10
Bank premises, furniture, and other property	27,781	12	5
	<u>£808,214</u>	<u>5</u>	<u>4</u>

Profit and Loss Account, 30th June, 1877.

<i>Dr.</i>			
Charges to 30th June, 1877, including rent, salaries, and other expenses at head office and branches	£8,211	0	5
Amount written off bank premises and furniture	691	5	6
Directors' fees	800	0	0
Balance at date proposed to be dealt with as follows:—Dividend (27th) for the last half-year at the rate of 7 per cent. per annum, £12,110; to be carried to profit and loss new account, £2,019. 6s. 7d.	14,129	6	7
	<u>£23,831</u>	<u>12</u>	<u>6</u>

<i>Cr.</i>			
Balance brought from last account	£1,153	13	0
Profit for six months, ended 30th June, 1877, after deducting rebate of interest on bills not due	22,677	19	6
	<u>£23,831</u>	<u>12</u>	<u>6</u>

BANK OF EGYPT.

REPORT presented to an extraordinary general meeting of shareholders, held the 7th day of August, 1877.

The directors of the Bank of Egypt submit to the shareholders the annexed balance-sheet and profit and loss statement for the half-year which ended on the 30th of June last.

The net profits for the last six months, after providing for bad and doubtful debts, rebate of interest, current expenses in London and Egypt, income-tax, &c.,

amount to £12,580. 16s. 2d. This, added to £1,801. 19s. 8d., the balance brought forward from the previous half-year, makes a total of £14,382. 15s. 10d. available for appropriation.

The directors recommend that the usual interim dividend be declared at the rate of 10 per cent. per annum for the half-year (£12,500), free of income-tax, leaving a balance of £1,882. 15s. 10d. to be carried forward to the next account.

Balance-sheet, 30th June, 1877.

LIABILITIES.

<i>Dr.</i>									
Capital paid up	..	..	..	..	..	..	..	£250,000	0 0
Reserve fund	..	..	..	..	..	..	..	110,000	0 0
Bills payable	..	..	..	..	..	..	..	56,206	4 2
Current and other accounts	..	..	..	..	..	..	..	240,489	4 11
Profit and loss, as below	..	..	..	..	..	..	..	14,382	15 10
								<u>£671,078</u>	<u>4 11</u>

ASSETS.

<i>Cr.</i>									
Cash	..	..	..	..	..	..	..	£143,167	16 4
Invested in consols and new three per cents.	..	..	..	..	..	..	..	110,000	0 0
Bills receivable	..	..	..	..	..	..	..	201,664	0 3
Egyptian government securities	..	..	..	..	..	..	..	109,305	14 1
Viceroy's Daira acceptances	..	..	..	..	..	..	..	44,188	4 2
Current and other accounts	..	..	..	..	..	..	..	62,752	10 1
								<u>£671,078</u>	<u>4 11</u>

Profit and Loss Account.

<i>Dr.</i>									
Dividend at the rate of 10 per cent. per annum for the half-year, payable on the 8th August	..	..	..	..	..	..	..	£12,500	0 0
Balance carried to next account	..	..	..	..	..	..	..	1,882	15 10
								<u>£14,382</u>	<u>15 10</u>
<i>Cr.</i>									
Balance of undivided profits, 30th December, 1876	..	..	..	..	..	..	..	£1,801	19 8
Net profits for the last six months, after providing for bad and doubtful debts, rebate of interest, current expenses in London and Egypt, income-tax, &c.	..	..	..	..	..	..	..	12,580	16 2
								<u>£14,382</u>	<u>15 10</u>

BANK OF ENGLAND.

A GENERAL court of the proprietors of the Bank of England was held at the bank on September 13 "to consider of a dividend." Mr. E. H. Palmer, Governor, presided.

The minutes of the last court having been read and confirmed, the Governor said that this was one of the quarterly general courts appointed by the charter, and also one of the half-yearly general courts appointed by the 12th bye-law for the making of dividends. He had to acquaint the proprietors that the net profits of the half-year ending the 31st of August last were £676,625. 7s. 4d., making the amount of the "rest" on that day £8,684,786. 16s. 3d., and after providing a dividend of £4. 10s. per cent., the "rest" would be £3,029,901. 16s. 3d. The court of directors therefore proposed that a half-year's dividend of interest and

profit be made on the 5th of October next of £4. 10s. per cent., without deduction on account of income-tax, and he put the question that the court order the payment of such dividend.

Mr. William Botley seconded the motion. As to the rates of interest, he thought they might be satisfied with the dividend, looking at the state of the money market and the low rate at which money had been for a long time, and he thought the greatest wisdom and caution must have been exercised by the directors of this great institution, with its capital of £14,500,000, to enable them to pay a half-yearly dividend of £4. 10s. per cent., and he was sure that they might be exceedingly well satisfied with such dividends.

The Governor then put the motion, which was carried unanimously, and afterwards said that the dividend warrants would be paid and delivered on Saturday, the 6th of October next.

A vote of thanks to the Governor, Deputy-Governor, and directors, then terminated the proceedings.

BANK OF MADRAS.

ANNUAL REPORT AND STATEMENT.—The directors have much pleasure in presenting to the shareholders an audited statement of the affairs of the bank made up to the 30th June, together with an abstract of the profit and loss account for the past year. An active demand for money has prevailed during the greater portion of the year, and the bank's funds have found full employment at fair rates of interest, the gross earnings of the bank during the past twelve months being considerably in excess of those of any previous period of its history. Notwithstanding the great extension of the bank's business, the directors are happy to be able to state that, so far as it is possible for them to ascertain at present, no bad debt has been incurred in connection with any of the transactions of the past year; the small amount transferred to "Doubtful bill account" being due to old outstanding bills, originally classed as "good," but now considered "doubtful." The serious fall which has taken place in the price of Government Paper has rendered it necessary to provide for a depreciation of Rs. 1,01,295-4-5 in value of the securities held by the bank. Deducting this sum from the earnings of the bank for the past year, the net profits, together with the balance brought forward from the previous year, amount to Rs. 6,09,959-8-0. The directors have appropriated this amount as follows:—In payment of a dividend at the rate of 8 per cent. per annum for the half-year ended 31st December, 1876, Rs. 2,00,000; in payment of a dividend at the rate of 12 per cent. per annum for the half-year ended 30th June, 1877, Rs. 3,00,000; In transfer to the Reserve Fund, Rs. 75,000; balance carried forward, Rs. 34,959. 8 = Rs. 6,09,959. 8. The vacancies which have occurred in the board since the last annual meeting have been filled up by the directors, under section 29 of the Bank Act, by the election of John Miller, Esq., the Honourable J. G. Coleman and M. Gould, Esq. The Honourable J. G. Coleman and C. A. Ainslie, Esq., retire from office in rotation on the present occasion, under section 26 of the Bank Act, but being eligible, offer themselves for re-election. The shareholders will have to elect two auditors for the ensuing year and to fix their remuneration.

Statement of Affairs on 30th June, 1877.

LIABILITIES.

<i>Dr.</i>									
Proprietors' capital	..	..	..	..	..	..	Rs.50,00,000	0	0
Public deposits at head office and branches	..	...	..	..	..	..	56,34,039	4	7
Other deposits do.	..	do.	..	..	..	..	91,19,984	0	0
Cash credits undrawn do.	..	do.	..	..	..	..	3,89,889	1	3
Bank post bills outstanding	..	..	..	..	..	..	10,854	10	2
Reserve fund	..	..	..	..	..	..	5,25,000	0	0
Profit for half-year ending 30th June, 1877	..	..	..	..	..	..	3,84,959	8	0
							Rs. 2,10,64,726	8	0

ASSETS.

<i>Cr.</i>					
Government securities	Rs.	24,18,612	11	6	
Loans on Government and other securities at head office and branches		17,61,300	0	2	
Accounts of credit .. do. .. do. .. do. ..		4,97,032	6	2	
Mercantile bills discounted .. do. .. do. ..		41,79,094	11	7	
Dead stock do. .. do. ..		2,43,790	0	11	
Bills of exchange		13,05,214	0	0	
Due by other banks		5,02,637	0	0	
Cash at head office and branches		1,01,57,045	9	8	
	<i>Rs.</i>	2,10,64,728	8	0	

*Abstract of Profit and Loss Account for the year ending 30th June, 1877.**Dr.*

Amount of charges for the year, viz. :—

Salaries at head office and branches, including special famine allowances	<i>Rs.</i>	3,39,090	8	2
Stationery, stamps, and engraved forms, at .. do. ..		15,378	8	3
Postages, telegrams, &c. .. do. ..		8,378	5	7
Bank furniture .. do. ..		5,882	6	1
Bank premises, house rent, &c. .. do. ..		20,437	2	8
Law charges .. do. ..		1,259	8	0
Municipal taxes .. do. ..		1,430	1	8
Directors' fees		7,822	0	0
Auditors' fees		1,400	0	0
Annuity to Robert Hunter, Esq., formerly secretary and treasurer		3,000	0	0
Travelling expenses and batta of inspector, agents and accountants		3,646	15	9
Miscellaneous expenses at head office and branches		20,180	0	0
Depreciation in value of Government securities held by the bank		1,01,295	4	0
Amount transferred to doubtful bill account		6,650	15	9
Balance, being net profit for the year		5,79,409	2	5
	<i>Rs.</i>	11,15,260	14	4

Half-year's dividend on the capital at the rate of

8 per cent. per annum .. *Rs.* 2,00,000

Do. do. at 12 per cent. per annum .. „ 3,00,000

		5,00,000	0	0
Amount transferred to reserve fund		75,000	0	0
Balance carried forward		34,959	8	0
	<i>Rs.</i>	6,09,959	8	0

Cr.

Amount of interest, commission, and exchange realised at head office and branches

	<i>Rs.</i>	11,15,260	14	4
Balance brought forward	<i>Rs.</i>	30,550	5	3
Net profit for the year as above		5,79,409	2	9
	<i>Rs.</i>	6,09,959	8	0

Reserve Fund.

<i>Dr.</i>					
Balance carried forward	..	..	..	..	<i>Rs. 5,75,000 0 0</i>
<i>Cr.</i>					
Balance at 30th June, 1876	..	..	..	..	<i>Rs. 5,00,000 0 0</i>
Transfer from profit and loss account on 31st December, 1876					<i>25,090 0 0</i>
Do.	do.		30th June, 1877	..	<i>50,000 0 0</i>
					<i>Rs. 5,75,000 0 0</i>

THE CALEDONIAN BANKING COMPANY.

- Report of the directors to the thirty-eighth annual general meeting of shareholders, held 7th August, 1877.

The directors have the pleasure of submitting herewith the usual annual abstract of the bank's accounts:—The balance of profit and loss account for the year ending 30th June, 1877, after provision for bad and doubtful debts and income-tax, and an appropriation to bank's premises new account, amounts to £24,117. 1s. 6d.; including £1,048. 10s. 1d. from last year, the amount for division at this time is £25,165. 11s. 7d., from which the directors propose to appropriate £21,000 in payment of a dividend, at the rate of 12 per cent., free of income-tax, and of 2 per cent. additional, as an extra dividend or bonus. A payment of 6 per cent. was made in February last, and the directors recommend that the balance of 8 per cent. should be paid on the 20th current. The balance of £4,165. 11s. 7d. will be carried to next year's account. The division of profit having for six years been at the rate of 14 per cent., the directors propose in future to make the payment to account of dividend in February at the rate of 7 per cent., instead of 6 per cent. as hitherto. During the past year a bank house has been erected at Cromarty, and another is in course of being built at Lochmaddy. At both these places the accommodation for conducting the bank's business was very defective. The directors who retire at present are Colonel Fraser-Tytler of Aldourie and Alexander Inglis Robertson of Aultnaskiah. In their room the directors recommend the election of Henry Cockburn Macandrew, Esq., Sheriff-Clerk of Inverness-shire, and Colin Lyon-Mackenzie, Esq., of Saint Martins.

Balance-sheet, 30th June, 1877.

LIABILITIES.

<i>Dr.</i>					
Paid up capital	..	..	..	..	<i>£150,000 0 0</i>
Circulation	..	..	..	..	<i>123,604 0 0</i>
Deposit accounts, interest receipts, &c.	..	..	..	..	<i>1,154,818 0 4</i>
Surplus fund, £75,000; balance of profit and loss account brought forward from 30th June, 1876, £1,048. 10s. 1d.; net profits for year ending 30th June, 1877, £24,117. 1s. 6d.					<i>100,165 11 7</i>
					<i>£1,528,587 11 11</i>

ASSETS.

<i>Cr.</i>					
Bills discounted, credit and other accounts	..	..	..	..	<i>£1,007,795 18 6</i>
Bank's houses and furniture at head office and branches	..	..	..	..	<i>28,262 5 6</i>
Government and other securities and investments	..	..	..	..	<i>308,744 4 7</i>
Specie, notes of other banks, and balances due by banking correspondents	..	..	..	..	<i>183,785 3 4</i>
					<i>£1,528,587 11 11</i>

*Profit and Loss Account.**Dr.*

Half-yearly payment in February last, to account of dividend, at 6 per cent.	£9,000 0 0
Half-yearly dividend, payable on 20th August next, at the rate of 6 per cent., and of 2 per cent. as an extra dividend, making together a division of profits of 14 per cent. for the year	12,000 0 0
Balance to be carried to next year's account	4,165 11 7
	£25,165 11 7

Cr.

Balance of this account brought down	£25,165 11 7
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THE COLONIAL BANK OF NEW ZEALAND.

SIXTH report of the directors to the half-yearly meeting to the proprietors, held at Dunedin, 25th July, 1877; Mr. James Rattray in the chair:—

"The directors have pleasure in submitting to the proprietors the accompanying statement of accounts for the half-year ending 30th June, 1877. The net profit for the half-year, after deducting interest paid and accrued on fixed deposits, all salaries and expenses of management, rent and other charges, and duly providing for bad and doubtful debts, amounts to £11,069. 10s. 11d.; to which add balance of profit and loss carried over from 31st December last, £2,403. 12s. 3d.; making a total of £13,473. 3s. 2d.; which the directors recommend be appropriated as follows:—To add to reserve fund (which will then amount to £12,000) £1,579. 5s. 11d.; to pay a dividend of 6 per cent. per annum on the paid-up capital at 30th June, £9,855; together, £11,434. 6s. 11d.; leaving a balance of, £2,038. 17s. 3d. to be carried forward to next half-year. A branch was opened at Nelson in April last, and is making satisfactory progress; and the business at head office and branches continues steadily to improve. The directors have appointed Mr. David Mackie, of the Oriental Bank Corporation, in whose service, in London and abroad, he has had large and varied experience, to be manager of the London branch. Mr. Mackie entered upon his duties on the 1st May last. The directors, having for some time felt the necessity of acquiring more commodious premises for the head office of the bank, have now the satisfaction to inform the proprietors that they have purchased, at a moderate price, the university site and buildings in Princes Street, to which they hope to transfer the bank's business in January next."

Balance-sheet as at 30th June, 1877, including London Office at 31st March, 1877.

Dr.

Capital paid up to date	£328,500 0 0
Notes in circulation	68,833 10 0
Bills payable and other liabilities	88,163 14 11
Deposits	519,728 12 4
Balances due to other banks	12,473 13 4
Reserve fund	10,420 14 1
Profit and loss	13,473 3 2
	£1,041,593 7 10

Cr.

Coin and cash balances	£164,751 15 1
Bullion on hand and in transitu	11,206 2 4
Notes of and balances due by other banks	7,485 10 3
Landed property and bank premises	14,957 11 7
Bank furniture and stationery	6,245 12 5
Bills discounted, bills receivable, and all other debts due to the bank	846,946 16 2
	<u>£1,041,593 7 10</u>

*Profit and Loss Account.**Dr.*

Transferred to reserve fund, in accordance with resolution of proprietors at half-yearly meeting on 31st January, 1877 ..	£1,738 0 0
Dividend at 6 per cent. per annum on the paid-up capital at 31st December, 1876	9,774 7 2
Charges for the half-year, including rent, taxes, salaries, remuneration to directors and auditors, and all other expenses at head office and 14 branches	14,393 5 9
Proposed addition to reserve fund, £1,579. 5s. 11d.; proposed dividend at 6 per cent. per annum on the paid-up capital at June 30th, £9,855.. .. .	11,434 5 11
Balance	2,038 17 3
	<u>£39,378 16 1</u>
Balance profit and loss at 31st December, 1876	£13,915 19 5
Gross profit for half-year (after making provision for bad and doubtful debts, and interest paid and accrued on fixed deposits)	25,462 16 8
	<u>£39,378 16 1</u>

*Reserve Fund Account.**Dr.*

Balance	£12,000 0 0
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Cr.

Balance 31st December, 1876	£8,262 0 0
Transferred from profit and loss 31st January, 1877	1,738 0 0
Amount paid on shares forfeited during past half-year	420 14 1
Proposed addition now	1,579 5 11
	<u>£12,000 0 0</u>

Proceedings at the half-yearly general meeting of the proprietors:—The general manager (Mr. Cowie) read the advertisement calling the meeting, also the minutes of the last general meeting—the latter being duly confirmed. The report of the directors was thereafter read; the balance-sheet, which had been previously published in the daily newspapers, being taken by the meeting as read; and on the motion of the chairman, seconded by the Honourable Matthew Holmes, were unanimously adopted. Mr. Justice Chapman moved a vote of thanks to the chairman and directors of the bank, for their zeal and prudence in managing the affairs of the bank; seconded by Dr. Hocken, and carried unanimously. The Honourable Matthew Holmes proposed a vote of thanks to the officers of the bank, which was seconded by Mr. R. Wilson, and carried unanimously. The draft minutes were read and approved, whereupon the chairman declared the business of the meeting closed.

THE COMMERCIAL BANKING COMPANY OF SYDNEY.

FIFTY-EIGHTH report presented to the shareholders at a general meeting, held 20th July, 1877:—

"The Directors have pleasure in submitting to the shareholders the position of the bank on the 30th June last. After deducting rebate on current bills, reducing premises account, and making ample provision for bad and doubtful debts, the profits for the half-year amount to £88,633. 19s. 5d.; add undivided balance from last half-year, £10,123. 15s. 1d.; together, £98,757. 14s. 6d., which the directors appropriate thus: to payment of a dividend for the half-year at the rate of 25 per cent. per annum, £62,500; increase of reserve fund, £25,000; undivided balance, £11,257. 14s. 6d.; the reserve fund now stands at £425,000. Branches have been opened during the half-year at Candelo, Coonamble, and Gundagai, in this colony. This meeting will be called upon to elect a director, consequent upon the retirement by rotation of Frederick Holkham Dangar, Esq., who is eligible for re-election, and has given the requisite notice that he is a candidate for the office. It will also rest with the meeting to appoint auditors for the ensuing year."

LIABILITIES AND ASSETS.

<i>Dr.</i>									
Capital, £500,000; reserve, £400,000	£900,000	0	0						
Notes in circulation	351,212	0	0						
Bills in circulation	3,198	8	1						
Deposits and other liabilities	4,451,338	1	0						
Profit and loss account	113,165	11	7						
	<u>£5,818,914</u>	<u>0</u>	<u>8</u>						

<i>Cr.</i>									
Coin and bullion in hand	£732,642	7	0						
Government securities	275,969	7	0						
Notes and bills of other banks	17,261	17	9						
Bills discounted, and all debts due to the bank (including cash balances)	4,706,040	8	11						
Bank premises, furniture, &c.	87,000	0	0						
	<u>£5,818,914</u>	<u>0</u>	<u>8</u>						

PROFIT AND LOSS ACCOUNT.

<i>Dr.</i>									
Rebate on current bills	£14,407	17	1						
Dividend account for payment of a dividend for past half-year, at the rate of 25 per cent. per annum	62,500	0	0						
Reserve fund	25,000	0	0						
Balance of undivided profit carried to next half-year	11,257	14	6						
	<u>£113,165</u>	<u>11</u>	<u>7</u>						

<i>Cr.</i>									
Amount undivided from last half-year	£10,123	15	1						
Profit for half-year ended 30th June, 1877	103,041	16	6						
	<u>£113,165</u>	<u>11</u>	<u>7</u>						

RESERVE FUND.

<i>Dr.</i>									
June 30th, 1877, balance	£425,000	0	0						

<i>Cr.</i>	
December 31st, 1876, balance	£400,000 0 0
June 30th, 1877, Transfer from profit and loss account ..	25,000 0 0
	£425,000 0 0

The following resolutions were carried unanimously:—"That the report and statements of account now read be adopted, printed, and circulated amongst the shareholders." "That Frederick Holkham Dangar, Esq., be re-elected a director." "That J. R. Street, Esq., and E. M. Stephen, Esq., be elected auditors for the ensuing year." "That the thanks of the meeting be presented to the directors, manager, and officers of the bank for their very satisfactory management of the affairs of the institution."

THE LONDON AND PROVINCIAL BANK, LIMITED.

Report presented to the shareholders at the ordinary general meeting, held 31st July, 1877; Mr. Andrew Walls in the chair:—

"The directors have pleasure in submitting to the shareholders the half-yearly statement of accounts and balance-sheet to the 30th June last. The gross profits for the half-year, after making provision for bad and doubtful debts, and including the amount brought forward from last account, are £55,854. 9s. 1d., and after deducting all current expenses, income-tax, directors' remuneration, auditors' fees, and interest to customers, there remains a balance of £22,288. 16s. 10d. The directors recommend that this amount be appropriated in the following manner, viz.:—£12,500 to the payment of a dividend, at the rate of 12½ per cent. per annum, free of income-tax; £500 in further reduction of freehold and leasehold premises account; £3,343. 8s. 4d. to rebate on bills; £5,945. 8s. 6d. carried forward. During the half-year 5,000 new shares have been issued—as on previous occasions—to customers and others resident at the branches, increasing the paid-up capital to £200,000. The premium received on these new shares has amounted to £34,242. 12s. 6d., of which £33,728. 5s. was carried direct to the reserve fund, raising it to £100,000 (invested separate and apart from the bank's other funds in new three per cents.), and the balance, £514. 7s. 6d., to profit and loss account towards payment of the six months' dividend on the new shares. It is not intended to further augment the capital until the increased extent of the business renders it desirable. On a requisition from the inhabitants of Rhyl a new branch has been opened in that town with every appearance of success in due time."

Balance-sheet for the Half-year ending 30th June, 1877.

<i>Dr.</i>	
Capital—40,000 £10 shares, £5 paid	£200,000 0 0
Reserve fund (invested in £107,210. 0s. 1d. new 3 per cents.)	100,000 0 0
Amount due by the bank on current, deposit and other accounts	1,757,935 18 2
Balance of last profit and loss account, £5,138. 14s. 3d.; gross profit for half-year after making provision for bad and doubtful debts, £50,715. 14s. 10d.	55,854 9 1
	£2,113,790 7 3

<i>Cr.</i>	
Cash at head office and branches, and deposited on call or short notice, and cheques, &c., in transitu	£331,367 0 2
Consols (including £17,223. 1s. 4d. set aside as security for accounts of H.M. customs and of county boards) and other Government stocks, £176,234. 14s.; new three per cents.	

(reserve fund), £100,000; English railway debenture and preference stocks, and East Indian Railway guaranteed stocks, £95,987. 2s. 5d.; other securities, £4,000	£376,221 16 5
Amount due from customers on current accounts, bills of exchange, promissory notes, &c.	1,346,860 14 9
Freehold and leasehold premises at head office and branches; also bank furniture and fittings at head office and branches	25,775 3 8
Current expenses, including income-tax, salaries, rent, &c., at head office and branches, directors' remuneration and auditors' fees	22,857 9 8
Interest paid on current and deposit accounts, &c.	10,708 2 7
	£2,113,790 7 3

Profit and Loss Account.

<i>Dr.</i>	
Current expenses, as above	£22,857 9 8
Interest paid	10,708 2 7
Dividend, at 12½ per cent. per annum	12,500 0 0
Reduction of premises, &c., account	500 0 0
Rebate on bills not due carried to new account	3,343 8 4
Balance carried forward	5,945 8 6
	£55,854 9 1
<i>Cr.</i>	
By gross profit, as above	£55,854 9 1

The following resolutions were proposed and carried:—"That the report of the directors and auditors be severally received and adopted, and printed for the use of the shareholders." "That a half-year's dividend be now declared, at the rate of 12½ per cent. per annum, free of income-tax, upon the capital of the bank." "That the thanks of this meeting be given to the board of directors for the able manner in which they have conducted the affairs of the bank." "That the thanks of this meeting be presented to the general manager and other officers of the bank, for the zeal and ability with which they have discharged their respective duties." "That the cordial thanks of this meeting be presented to Andrew Walls, Esq., for his able and courteous conduct in the chair."

MANCHESTER JOINT-STOCK BANK, LIMITED.

Report of the directors to the shareholders at the ordinary half-yearly meeting held the 18th July, 1877:—

"The directors, in presenting the eighth half-yearly balance-sheet and profit and loss account to the shareholders, have to report that after paying all current expenses and interest to customers, allowing for rebate on bills not matured, and making provision for bad and doubtful debts, the net profits amount to £8,631. 15s. 11d. This amount, together with £4,895. 5s. 2d. brought forward from last half-year, shows a disposable balance of £13,527. 1s. 1d. The directors recommend the payment of a dividend for the half-year ending June 30th, 1877, at the rate of 11½ per cent. per annum, free of income-tax, which will absorb £5,862. 5s. 6d., leaving a surplus balance of £7,664. 15s. 7d. It is proposed to add £2,107. 10s. to the reserve fund, thus increasing it to £49,000, and to carry forward the balance of £5,557. 5s. 7d. to the profit and loss account of present half-year. The reserve fund, with the balance carried forward, will then amount to £54,557. 5s. 7d. The directors retiring at this meeting are Thomas Aitken, Esq., and R. B. Brierley, Esq., who are eligible and offer themselves for re-election."

*Balance-sheet, June 30th, 1877.**Dr.*

Capital, being £6 per share on 17,050 shares	£102,300	0	0
Reserve fund	46,892	10	0
Current and deposit accounts, &c.	278,897	12	10

Profit and loss account :—

Balance, profit and loss, December 31st, 1876, £4,895. 5s. 2d. ;			
gross profit, after making provision for bad and doubtful debts,			
£14,517. 17s. 7d.	19,413	2	9
	<u>£447,503</u>	<u>5</u>	<u>7</u>

Cr.

Cash on hand and at call	£53,139	12	0
Bills of exchange, advances to customers, &c.	388,477	11	11
Current expenses for half-year, including rent, salaries, &c. ..	3,234	19	6
Interest paid and accrued on current and deposit accounts, and			
rebate on bills not matured	2,651	2	2
	<u>£447,503</u>	<u>5</u>	<u>7</u>

*Profit and Loss Account, from 1st January, 1877, to June 30th, 1877.**Dr.*

Current expenses, as above, £3,234. 19s. 6d. ; interest paid and			
due to customers, and rebate as above, £2,651. 2s. 2d. ..	£5,886	1	8
Dividend, 6s. 9d. per share, or 11½ per cent. per annum, and pro-			
vision for income-tax, £5,862. 5s. 6d. ; to reserve fund,			
£2,107. 10s. ; balance carried forward to profit and loss new			
account, £5,567. 5s. 7d.	13,527	1	1
	<u>£19,413</u>	<u>2</u>	<u>9</u>

Cr.

Balance brought forward from December 31st, 1876	£4,895	5	2
Gross profits, after providing for bad and doubtful debts ..	14,517	17	7
	<u>£19,413</u>	<u>2</u>	<u>9</u>

THE QUEENSLAND NATIONAL BANK, LIMITED.

At the tenth half-yearly meeting of shareholders, held 26th July, 1877, the Hon. F. H. Hart, M.L.C., in the chair, the following report was presented:—

"The directors have much pleasure in submitting to you their tenth half-yearly report, with the balance-sheet, certified by the auditors. The net profit for the six months ended on the 30th June last, after making provision for rebate on bills current, interest accrued on deposits, and bad debts, amount to £15,513. 9s. 6d. ; balance from previous half-year, £3,040. 7s. 4d. ; together, £18,553. 16s. 10d. ; less, amount of tax on note circulation, £1,426. 12s. 3d.—leaving £17,127. 4s. 7d.—which the directors propose to appropriate as follows :—To dividend, at the rate of 8 per cent. per annum, £10,000 ; to reserve fund (making £28,000), £4,000 ; to balance to next half-year, £3,127. 4s. 7d.—together, £17,127. 4s. 7d. During the half-year branches have been opened at Thornborough, Cairns, St. George, Fortitude Valley, and South Brisbane. The agency at Dalby has been converted into a branch. Mr. William Webster having resigned his appointment as auditor, owing to his departure for Europe, the directors at once convened an extraordinary general meeting of shareholders, in conformity with clause 136 of the Articles of Association. At this meeting, held on 7th June, Mr. Theodore Unmack was duly elected to fill

the vacancy. The directors are happy to state that the business of the bank has increased during the past half-year in a manner that cannot fail to give satisfaction to the shareholders."

Balance-sheet for the half-year ending 30th June, 1877.

<i>Dr.</i>									
Capital paid-up	..	..	..	..	..	..	..	£250,000	0 0
Reserve fund	..	..	..	..	..	..	..	24,000	0 0
Notes in circulation	..	..	..	..	..	..	..	99,933	10 0
Bills in circulation	..	..	..	..	..	..	..	1,838	9 2
Balances due to other banks	..	..	..	..	..	..	..	3,248	19 6
Deposits	..	..	..	..	..	..	..	970,369	11 5
Profit and loss	..	..	..	..	..	..	..	17,127	4 7
								<u>£1,366,517</u>	<u>14 8</u>

<i>Cr.</i>									
Coin and bullion	..	..	..	..	..	..	..	£200,481	18 11
Balances due by other banks	..	..	..	..	..	..	..	107,111	9 6
Bills receivable, and all other debts due to the bank	..	..	..	..	..	..	..	1,012,136	6 2
Bank premises, furniture, and stationery	..	..	..	..	..	..	..	46,788	0 1
								<u>£1,366,517</u>	<u>14 8</u>

Profit and Loss Account.

<i>Dr.</i>									
Expenses, head office and twenty-one branches	..	..	..	..	..	..	..	£14,647	7 7
Bank note tax for quarters ending March and June	..	..	..	..	..	..	..	1,426	12 3
Balance..	..	..	..	..	..	..	..	17,127	4 7
								<u>£33,201</u>	<u>4 5</u>

<i>Cr.</i>									
Balance from last half-year	..	..	..	..	..	..	..	£3,040	7 4
Gross profit, after providing for bad debts, interest accrued on deposits, and rebate on bills current	..	..	..	..	..	..	..	30,160	17 1
								<u>£33,201</u>	<u>4 5</u>

Reserve Fund.

<i>Dr.</i>									
Balance	..	..	..	..	..	..	..	£28,000	0 0
								<u>£28,000</u>	<u>0 0</u>
<i>Cr.</i>									
Balance at 31st December last	..	..	..	..	..	..	..	£24,000	0 0
Transferred from profit and loss account	..	..	..	..	..	..	..	4,000	0 0
								<u>£28,000</u>	<u>0 0</u>

It was moved by the chairman, seconded by Mr. T. McIlwraith, M.L.A., and carried unanimously—"That the report and balance-sheet be adopted." Moved by Mr. J. F. Garrick, M.L.A., seconded by Mr. M. Ward, and carried unanimously—"That the thanks of this meeting be tendered to the directors, general manager, and officers of the bank."

WHITEHAVEN JOINT STOCK BANKING COMPANY.

Forty-eighth annual report to the shareholders, at the annual general meeting, held 8th August, 1877; Henry Collins, Esq., of St. Bees, in the chair:—

"The directors have now the pleasure of reporting, that after defraying all current expenses, and making allowance for all bad and doubtful debts, the net profits of the bank for the year ending 30th June, 1877, amount to £15,056. 15s. 3d., and with £1,287. 4s. 9d., the unappropriated balance from last year, amount together to £16,344. Out of the above profits the directors now declare a dividend of £3. 15s. per share, a bonus of 10s. per share, and add £1,291. 14s. 9d. to the surplus fund, which, with interest on such fund for the past year, now amounts to £30,000, as per statement annexed. The income-tax is also paid by the bank. The directors have further to announce that Henry Collins, Esq., of St. Bees, is the retiring director by rotation, and they recommend that he be re-elected. It is with great regret that the directors have to refer to the decease, since the last annual meeting, of Mr. Thomas Fox, Mr. W. B. Clarke, and Mr. Henry Jefferson, of Rotherbyke, three of the oldest, and largest shareholders of the company, and who acted for many years most efficiently as directors of the bank."

Annual Statement of Accounts for the year ending 30th June, 1877.

Balance from last year's account	..	..	..	..	..	£1,287	4	9
Net profits this year	..	..	..	..	..	15,056	15	3
						16,344	0	0
Dividend of £3. 15s. per share, £11,250; bonus of 10s. per share, £1,500; surplus fund, £1,291. 14s. 9d.; income-tax, £188. 4s. 3d.; interest on surplus fund, £836. 3s. 2d.	..	..	..	..	..	15,066	2	2
Balance to next year's account	..	..	..	..	..	£1,277	17	10

SURPLUS FUND.

Amount on the 30th June, 1876, £27,872. 2s. 1d.; interest to the 30th June, 1877, £836. 3s. 2d.; amount added this year, £1,291. 14s. 9d.	..	..	..	..	..	£30,000	0	0
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PROPERTY.

Bank buildings, and other freehold properties at Whitehaven, Maryport, and Penrith	..	..	..	..	..	£9,605	8	0
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The foregoing report and statement of accounts having been read, the following resolutions were unanimously agreed to:—1st. That the report now read be adopted, and that a printed copy thereof be sent to each shareholder. 2nd. That a dividend of £3. 15s. per share, and a bonus of 10s. per share be now declared, and be payable on or after 13th instant. 3rd. That Henry Collins, Esq., of St. Bees, be re-elected a director of the Bank. 4th. That the thanks of the meeting be given to the directors and managers for their valuable services during the past year.

YORKSHIRE BANKING COMPANY.

At the sixty-eighth half-yearly meeting of the shareholders, held at Leeds, 1st August, 1877, George Leeman, Esq., M.P., in the chair, the following report of the directors was unanimously adopted:—

"In meeting the shareholders to present their usual half-yearly report, the directors have to state that the profits for the six months ending 30th June last, amount to £33,221. 10s., out of which they propose—

Payment of a dividend of 30s. per share, free of income-tax, which will absorb	£30,000	0	0
And carrying to the credit of the next half-year's account the balance of.. .. .	3,221	10	0
	£33,221	10	0

Dr.	LIABILITIES.			
Shareholders for capital stock	£250,000	0	0	
Do. for unpaid dividends	82	10	0	
Deposits and credit balances	2,468,426	13	2	
Interest on deposit receipts and rebate of discount	21,910	11	10	
Notes in circulation	116,535	0	0	
Contingent fund	6,523	1	5	
Reserved surplus fund	109,000	0	0	
Profit and loss account	83,221	10	0	
	£3,004,699	6	5	

Cr.	ASSETS.			
Bills, securities, and cash on hand	£811,954	6	2	
Amount invested in Consols	100,000	0	0	
Advanced on current accounts, and in bankers' hands.. .. .	2,029,451	18	4	
Freehold property and furnishings	62,518	7	7	
Stamps on hand	774	14	4	
	£3,004,699	6	5	

"The depression in trade to which the directors had to refer at the last half-yearly meeting has continued to prevail to even a greater extent in the half-year just closed, while rates for money have ruled unusually low. The directors have to announce with deep regret the death, on 18th June last, of Mr. Henry Webster Blackburn, who had held the position of auditor of this bank for twenty-one years."

BANKING EXAMINATIONS.—GILBERT LECTURES.

WE are glad to note the growing interest taken in this question by our readers, and, in answer to several inquiries which have reached us from various parts of the country, we are able to say that it would be quite possible to make arrangements for extending the benefit of the Gilbert Lectures beyond the present limited area, subject to provision being made for covering the expenses incidental to such extension.

These Lectures were established mainly through the generosity of the late Mr. J. W. Gilbert, the first general manager of the London and Westminster Bank, who left, by will, a sum of money to found a Banking Lectureship in connection with King's College, London. The educational object in view is now supplemented by some of the leading London banks, who contribute to a fund raised annually for the purpose of giving prizes to the successful students. The Lectures, four in number, are delivered in the early part of each year, they are free to all bank officers by cards of admission, obtainable at their respective offices, all the London banks being invited at the commencement of the session to send in the names of

those of their staff who desire to attend the Lectures. Those only who have attended the Lectures are eligible for the examination which follows thereafter.* The number of students attending the Lectures last session was sufficient to fill the theatre of King's College, it would therefore be impracticable to admit greater numbers without further arrangements being made.

Should it be desired, however, to extend the scheme to any of our great commercial centres, we have no doubt that King's College would readily co-operate with our large provincial banks in making arrangements for carrying out the object in view, but it would be necessary, as a preliminary measure, that a subscription should be raised in any such locality to cover the expenses incidental thereto.

We cannot doubt that the favourable consideration of the great provincial bankers of England might readily be enlisted on behalf of the extension of this class of instruction, or that their liberality and energy would fail to bring its benefits within the reach of those amongst their officers who desire to profit thereby.

* We regret that we are unable to comply with the requests of some of our correspondents by printing the questions set at the last examination.

Communications.

To the Editor of the "Bankers' Magazine."

WHAT IS A SUFFICIENT ENDORSEMENT OF A CHEQUE?

May I ask you kindly to answer the following question?

A cheque payable to Anglo-Swiss Condensed Milk Co. or order—and endorsed p. pro Anglo-Swiss Condensed Milk Co., London, A. De Ceiss.

Is the endorsement correct without the word treasurer, secretary, or some official indication following name?

Darlington.

C. H. B.

[There is a case of *Alexander v. Mackenzie* in which it was held that the onus is on the banker to show that a person endorsing a cheque acted within his authority, while in another case (*Ulster Bank v. Lynnot*) it was held that such an endorsement was not so irregular on the face of it as to render the banker liable for neglect of duty. See also a case reported in our present number. We think the endorsement sufficient.—Ed. (Law Dep.) B. M.]

TIME WITHIN WHICH CHEQUES MUST BE COLLECTED.

Will you please answer the following question in your valuable magazine? Can a banker hold (without risk) a country or London cheque one day before sending it for collection? T. S.

[He must present it within banking hours on the day following that on which he received it. But "the day after the receipt of the cheque" only begins to run from the day on which it was first possible for him to have presented the cheque. See *Bond v. Warden*, 1 Collyer, 1, 583; *Beeching v. —*, Holt, 315; *Firth v. Brooks*, 4 *Law Times*, N. S., 4.—Ed. (Law Dep.) B. M.]

STAMP ON BILL OF EXCHANGE.

Do you consider a bill of exchange to be duly stamped, when being drawn in England in a set of three (1st, 2nd, 3rd) upon a foreign town, it bears on each part a proportionate amount of the *ad valorem* (impressed) stamp duty—for instance, if a bill be for £300 in a set of three it bears on each part 1s. impressed stamp; or must such a bill have the *ad valorem* duty impressed on one of the set only?

R. W. WILLIAMS.

[Each bill must be properly stamped, as though each constituted a separate transaction.—Ed. (Law Dep.) B. M.]

LIABILITY OF BANKERS IN REGARD TO CROSSED CHEQUES.

If my memory is correct, the following question has already passed through the *Bankers' Magazine*.

I respectfully ask your further reference to the last *Act* relating to "crossed cheques," and should feel obliged by your translation of a clause in that *Act*, upon which a difference of opinion exists.

Is a banker justified in refusing to cash a cheque over the counter to a stranger, if such cheque "bears across its face two parallel transverse lines simply," without "and company"? In other words, is such a document now a "crossed cheque"? W. W.

September, 1877.

[The mere crossing, though the words "and company" are omitted, warrants the banker in refusing payment across the counter.—Ed. (Law Dep.) B. M.]

BILL OF EXCHANGE ANTE-DATED.

Will you kindly answer in your next issue, whether a bill purporting to be drawn previous to the date borne by the impressed stamp is a legal document? M.

[Such a document would be admitted in evidence in an action on it to recover the amount.—Ed. (Law Dep.) B. M.]

Notices of Books.

A Treatise on "the Annual Holiday." By A. B. C.; with Digest of a Trip to Iceland, and Itinerary of a Trip to Sweden. Communications and orders to be addressed to 7, Hazelwood Villas, Lee.

THE object of the writer of this little publication is a very commendable one. It is to assist those who, like himself, are members of the great body of bankers' clerks to make the best use of their holidays, to spend their time of refreshment in a sensible way, in such a manner that the reviving influence of those few days may extend its beneficial forces over the remainder of the twelve months which must intervene before the annual outing again comes round.

A. B. C. thinks there is a field open for his little publication as "The Holiday Annual." He proposes, should an annual issue be called for, to publish on the 1st of May in each year, as much practical information as

possible, descriptions of places in which agreeable holidays have been spent, economical and amusing trips which can be carried out within the fortnight; addresses of hotels, private boarding houses and the like, which can be recommended, and other points of the same kind.

Some arrangement of the sort might be carried out with advantage. It also might be possible for clerks in provincial banks to furnish those in other places with the information as to points which might be of use to them, as to lodgings and other information which can only be obtained on the spot. Beyond doubt, sensibly spent holidays are most essential to the health of those engaged in sedentary pursuits. The strain of work in a large banking office is incessant during the hours of business, and it is often very severe. The holidays are but few, and the sum of money which can be spent on the occasion is but small. It is very desirable to make, by all suitable means, both the time and the money go as far as possible. Besides the "Annual Holiday," the writer of the little volume before us examines into the subject of those other occasional holidays which occur in the course of the year. He is a strenuous advocate of the Saturday half-holiday. Saturday is in many bank offices, perhaps in most, the hardest day in the week. It would be a very desirable thing if arrangements could be made for allowing a certain diminution of work on that day, by earlier closing and by other methods. A. B. C. recommends that, by legislative enactments, the bills which fall due on the Sunday should be postponed till the Monday—instead of being, as at present, due on the Saturday. That they should be postponed in fact one day, instead of being accelerated. There is a good deal to be said in favour of this proposal. One of the best considered points in connection with the four annual holidays which Sir John Lubbock's strenuous exertions obtained for the banking community, was the arrangement by which the payment of the bills which fall due on those days was postponed till the day after the holiday. Had this careful provision not been made great part of the benefit of those four holidays would have been lost in the additional labour thrown on the day when everyone is preparing to leave his work, and making arrangements how he can spend his holiday. If a similar arrangement were provided for Saturday's bills, it would in itself go a long way towards making a Saturday half-holiday possible, and it would be very desirable that this should be done. There is nothing which assists more in rendering Sunday a thorough day of rest than a little liberty from work on the day previous. A. B. C. also mentions the ten o'clock attendance movement. This is perhaps a thing more difficult to imagine possible than a Saturday half-holiday. Probably the best method of meeting the difficulty would be by arrangements so that portions of the staff of a bank at a time could have the advantage of the extra time to themselves. It must not be forgotten that all relaxations of this description involve in some degree a certain amount of expense on the part of the employers. Less hours from each worker means, to some extent, more workers. We are certain that the employers of labour in these departments are perfectly willing to consider fairly any claims of this description on the part of those whom they employ, and we are bound to say that the desires of the class of bankers' clerks in this direction are put forward in the little volume before us both with judgment and discretion. No question, the work is often hard, it is generally monotonous; strict punctuality and rigid attendance to a multitude of small details are also necessary in the highest degree. The work is one of a completely routine character, which, though not so trying as some other avocations, is yet very wearing in its nature. That the hours of work should not be unduly long is a most

important thing. Besides this, the continual increase in size of the metropolis renders it difficult for those engaged in work in the City to find dwelling places and lodgings, except at distances which involve a considerable consumption of time in the transit. The cheaper quarters are also frequently the further off. Railways and tramways assist in facilitating locomotion, but these means of conveyance are comparatively costly, and all these points have to be considered when instituting any comparison between the present times and the past.

An annual holiday is not only a desirable thing, but also one which should be insisted on both from the point of view of the employer as well as of those whom he employs. More than once, to our knowledge, where frauds have been perpetrated, the offender has contrived to screen himself for a time from punishment by avoiding to take his annual holiday. In time the delinquency was discovered, but an earlier detection, and a smaller loss would have ensued, on a fixed enforcement of a regular and periodical absence from the post. We fully coincide with the late Mr. Gilbert in his remarks on this portion of the subject.

A. B. C. gives some practical suggestions as to the time in each year when holidays should be apportioned among the various clerks. Arrangements as to the holiday season in an office must be left to the good sense of those who are concerned with the management. Care must be taken to give each and all in their turn as good a time of year as is possible. Of one thing we are certain, that a well-spent holiday is one of the best preservatives of health and of that vigour of mind and body which is essential to good work.

The Australian Insurance and Banking Record: a monthly journal of Insurance, Banking, and Finance No. 6. Melbourne, June, 1877.

THIS journal continues to give useful and important information respecting the progress of banking and business in the Colony in which it is published.

The first article in the number now before us deals with the quarterly statements of the average balances of the banks in the Colony for the period ending 31st March, 1877. From it we obtain the following statement of the position of the banks there as published in the *Government Gazette*. This shows a continuous increase in the totals of deposits—and in particular of the deposits bearing interest. The aggregate balances at the 31st March in each year from 1872 are as follows:—

Year.	Deposits not Bearing Interest.	Deposits Bearing Interest.	Total.
1872	£4,419,724	£7,266,300	£11,686,024
1873	5,807,743	6,902,638	12,710,381
1874	5,668,497	6,831,410	12,499,907
1875	4,933,762	8,187,412	13,121,174
1876	5,166,542	9,084,938	14,251,480
1877	5,075,995	11,713,963	16,789,958

Meanwhile the advances made by the banks have increased more rapidly in proportion than the deposits. The figures are as follows:—

Year.	...	...	...	...	Advances.
1872	...	...	...	...	£12,615,659
1873	...	...	...	...	13,951,037
1874	...	...	...	...	15,768,366
1875	...	...	...	...	16,170,478
1876	...	...	...	...	17,822,612
1877	...	...	...	...	20,010,370

The facilities to business thus afforded must have been of great service in promoting the prosperity of the Colony. The rates of interest allowed by the leading banks to depositors are: deposited for twelve months 5 per cent., six months 4 per cent., three months 3 per cent. The rates for discount on mercantile paper are: currency of two months 6 per cent., three months 7 per cent., and above 8 per cent.; overdrafts 8 to 9 per cent., minimum rate for discount promissory notes 7 per cent. These rates appear to leave a very fair margin for profit.

An article in the same journal on the present state and future prospects of gold mining in Victoria gives some interesting particulars on the subject. The industry appears to be on the whole a declining one. The export of gold in the year 1856 was £12,000,000—but in 1876 the gold exported from, and invested in, Victoria amounted to no more than £3,749,040. There seems little doubt that great mineral wealth is still hidden beneath the soil, but the conditions of the mining industry at the present time do not appear to be favourable to capital being invested largely in the business, and it also appears doubtful whether greater energy is likely to be soon applied to it. Mining industry has been of the greatest importance to the Colony in time past, and we shall look with interest to observe its progress in the future. The "Australian Insurance and Banking Record" contains much useful and valuable information, especially respecting the details of local business, which must be of much use to all interested in the welfare of our Colonial empire, and especially of those powerful states which are so rapidly growing up within the boundaries of Australia.

TENDERS FOR BILLS ON INDIA.

The tenders for £265,000 in bills and telegrams on India were received, 22nd August, at the Bank of England. The amounts allotted were—to Calcutta, £208,900, at an average rate of 1s. 8.712d.; and to Bombay, £56,100, at an average rate of 1s. 8.743d. Tenders on both Presidencies for bills at 1s. 8½d. will receive about 5 per cent.; everything above in full.

The tenders for £265,000 in bills and telegrams on India were received, 29th August, at the Bank of England. To Calcutta was allotted £165,000 and to Bombay £100,000, the average rate in both cases being 1s. 8.875d. Tenders on Calcutta for bills only at 1s. 8½d. will receive about 49 per cent.; on Bombay at that price for bills, 50 per cent.

The tenders for £265,000 in bills and telegrams on India were received at the Bank, 5th September, and to Calcutta was allotted £249,000, at an average rate of 1s. 8.83d., and to Bombay £6,000, at an average rate of 1s. 8.875d. Tenders on both Presidencies, at 1s. 8½d., will receive in full; nothing below.

The tenders for £265,000 in bills and telegrams on India were received, 12th September, at the Bank of England, and to Calcutta was allotted £256,000, at an average rate of 1s. 8.83d. Tenders on the Bengal Presidency for bills and telegrams at 1s. 8½d. and above will receive in full; no allotment below this price.

The India Council, 19th September, altered the amount of bills on India for which they would receive tenders from £265,000 to £200,000. The amounts allotted were:—To Calcutta, £190,125, at an average rate of 1s. 8.837d.; to Bombay, £5,000, at an average rate of 1s. 8.875d.; and to Madras, £4,875, at an average rate of 1s. 8.976d. Tenders on all Presidencies for bills and telegrams, at 1s. 8½d., will receive about 95 per cent.; above in full.

Monthly Notes.

The Associated Banks of Lima have recently been engaged in discussing a project initiated by the "Banco del Peru" for a return to specie payments, but at present without accord.

The "Port Elizabeth Telegraph" states that the final act of incorporating the London and South African Bank with the Standard Bank took place on 8th August. The affairs of the London and South African Bank are now being administered by the Standard Bank.

The directors of the London and San Francisco Bank have declared a dividend on account of 4 per cent., being 8s. per share for the half-year ended the 30th of June last, free of income-tax.

From Dr. W. Neilson Hancock's return of savings in Ireland, as represented by investments, at Midsummer of the present year, it appears that for the first time since 1874 there is a decrease (amounting to £69,000) in the amount of deposits and cash balances in the joint-stock banks. In some recent years the increase had been nearly £10,000,000. The return also shows a decrease of £811,000 in the amount invested in Government Funds and Indian Stock. The increase in the previous year was only £216,000. The deposits in Trustee Savings Banks and Post Office Savings Banks show an increase; but there is in all these investments an aggregate net decrease of £650,000, the totals being in 1876 £69,286,000, and in 1877 £68,636,000.

It is calculated that the annual value of the agricultural produce of the United Kingdom in a fair average year amounts to something like £300,000,000.

We are informed that the tenders for the issue of £31,400 debentures of the Auckland Harbour Board Six per Cent. Loan at the Bank of New Zealand amounted to £158,400, at prices ranging from £103 to £105. 11s. 6d. No tender under £105 received an allotment. Tenders at £105 receive about 78 per cent., and those above £105 in full.

The Massachusetts Democratic Convention has nominated William Gaston as governor on the "platform" of advocating a currency on a gold basis only, and reciprocity with Canada and Mexico.

The 12th report of the directors of the National Bank of India states that the net profit for the half-year ended the 30th of June last, including the balance brought forward from the previous year, amounts to £23,443, out of which the directors have decided to pay an *ad interim* dividend at the rate of 6 per cent. per annum, which will absorb £13,958, and leave £9,485 to be carried forward.

The 27th half-yearly report of the City Bank, Sydney, for the half-year ended the 30th June last, shows a balance available for distribution amounting to £19,238, which it is proposed to appropriate to the payment of a dividend at the rate of 8 per cent. per annum. Out of the remainder £6,500 is added to reserve, £650 to reduction of bank premises account, and £2,488 carried forward.

The report of the directors of the Mercantile Bank of Sydney presented at the half-yearly meeting, held at Sydney on the 10th of July last, shows a balance available for distribution for the half-year ending the 30th of June of £32,813. 17s. 6d., out of which, after providing for rebate on bills not then due, the usual dividend at the rate of 12½ per cent. per annum on the paid-up capital was declared, leaving an undivided surplus of £12,936. 4s. 9d.

The American Bankers' Convention at New York has unanimously adopted resolutions declaring an early resumption of specie payment to be necessary for the restoration of general prosperity; that the general use of coin as the measure of value will alone give proper security and encouragement to business; that the enforced currency—a war expedient—should be gradually removed, while the condition of the country favours that end; that American trade should be conducted upon the standard of value which the most advanced commercial nations have adopted; and that the resumption of coin payments can be best secured by co-operation of the Government and the people through the agency of the banks. This convention represents all the banks and bankers' associations throughout the country, and is considered a very influential body. It also passed a resolution that if silver should be remonetized, the silver coins should be of such a weight as to make them interchangeable with gold coins of the same denomination.

BANK MOVEMENTS.

From the 8th September Mr. Edward Marjoribanks ceased to be a member of the firm of "Coutts and Co."

Mr. John S. Stallard, of 1, Gresham Buildings, Basinghall Street, and Mr. Charles Wallington, of 51, Moorgate Street, have resigned their appointments of auditors to the Trades Bank, Limited.

It is announced that Lord Francis Cecil, second son of the Marquis of Exeter, has been introduced as a partner in the banking firm of Cunliffe Brooks and Co., of Manchester, Blackburn, and Altrincham, the head and hitherto sole member of which is Mr. William Cunliffe Brooks, M.P. for East Cheshire. Lord Francis Cecil will, it is understood, take an active share in the management of the bank.

MERCANTILE EMBARRASMENTS.

The suspension is announced of Messrs. de Neufoille-Mortens and Co., of Frankfort-on-the-Maine, an old and highly-respected firm of bankers. The news has caused considerable surprise both here and abroad, the failure being considered unexpected. It is said that the liabilities may reach £300,000, but on that point there appears to be nothing definite known.

The acceptances have been returned of Messrs. H. Mahler and Co., silk and merino agents, of 3 and 4, Milk Street, and Zurich and Lyons. Most of the liabilities here are said to be covered.

MONTHLY CHRONOLOGY.

Aug. 28.—The Bank of England raised its rate of discount to 3 per cent., after a duration of a 2 per cent. rate for about six weeks.

Sept. 1.—The Bank of New Zealand invite tenders for an issue of £31,400 Auckland Harbour Six per Cent. Debentures (Colony of New Zealand), being the balance of a loan of £150,000.

3.—M. Thiers died at St. Germain, in his 81st year, suddenly.

6.—The Mansion House Indian Famine Relief Fund has reached the sum of £103,000.

6.—The Bank of Bengal has advanced its rate of discount to 9 per cent.

11.—A most appalling collision occurred off the coast of Weymouth, which has led to the loss of more than 100 lives and of both vessels. The ships in collision were the *Avalanche*, from London to Wellington, New Zealand, and the *Forest*, of Windsor, Nova Scotia, in ballast, from London.

12.—The Imperial Bank of Germany has raised its rate of discount to 5 per cent., and its rate of interest on advances to 6 per cent.

13.—At St. Alban's the mayor, Mr. W. C. Smith, having received the letters patent for the creation of that town into a city, publicly proclaimed the new constitution.

26.—The Mansion House Indian Famine Relief Fund now exceeds £250,000.

26.—A prospectus was issued inviting tenders for an Indian loan of £3,000,000 in 4 per cent. debentures repayable in 1884, with interest payable in February and August.

27.—The Bank of Bengal has raised its minimum rate of discount to 10 per cent.

Monetary Review.

It is necessary that we close our remarks under this heading in sufficient time to go to press before the end of the month, and in doing so last month, before the rise in the Bank rate took place, we referred to the probability that prompt action would have to be taken by the Bank in order to prevent their reserve of gold from slipping out of their hands too rapidly. Before the month was out the rate had been raised 1 per cent. The Directors of the Bank did not wait for the usual Thursday's court, but raised the rate to 3 per cent. on Tuesday, the 28th August. Since the previous return had been made up gold had been in active demand, and it appeared likely that further supplies would be taken for America as well as Germany, in addition to the amount which might be required for

home purposes. It thus being evident that a rise in the Bank's rate could not be delayed, the outside market worked in accordance with this view, and transactions were done subject to the coming rise; under these circumstances the market rates naturally responded to the announcement of the central establishment, and 1 per cent. advance took place immediately. It must not be inferred, however, that the demand for accommodation at higher rates arose from any increase in the volume of money required for mercantile purposes of a permanent character; on the contrary, this movement is almost entirely governed by the question of the supply of gold, a question which, it seems probable, will exercise supreme influence upon the course of the money market for some time to come. The stock of available bullion at the Bank being by no means large, every possible demand upon it is naturally looked forward to with an eye of caution, and several possible demands are certainly discernible; thus the money market has been kept in a constant state of expectation that higher rates would speedily be resorted to by the Bank, and this state of feeling led to a decided rise in the outside rate for long dated bills. In the early part of the month, gold was shipped from here to New York, and considerations with regard to the grain harvests of the respective countries led to the conclusion that the international exchange would probably rule adverse to this country, and that a large amount of gold might be withdrawn thence. Not that such a course of things must of necessity follow—other elements must be taken into account. United States bonds and the interest on those which are held here form an important factor in settling the reckoning between the two countries—though it is true that the holdings of American railway securities on this side have greatly diminished, and even if the amount of securities had not decreased, the amount of interest on them remitted would still be less than hitherto in consequence of the state of disorder into which many of these companies have fallen of late.

The Bank, however, tided over the period of uncertainty till the middle of the month, when their return was of a more favourable character, showing a little increase in the reserve, and money being rather more plentiful at the moment, the tension previously existing gave way and rates were quoted a little easier.

The future of the money market is of course uncertain, but circumstances point in the direction of higher rates. It is more than probable that Germany will take further supplies of gold from the Bank. The Imperial Bank has lately raised its rate to 5 per cent., in order to prevent its own supply of gold from flitting away too freely, but it is not expected that this step will secure it from the necessity of trenching on its neighbour's stores; then there is war and famine, which cannot be lost sight of, besides the trade demands which are liable to increase at any time. The outlook certainly does not indicate an early recurrence to lower rates, but, on

the contrary, it is such as to point to the probability of demands coming upon the Bank's resources which may compel a further rise in the rate at any time.

The feature in the stock markets in the early part of the month was the continued fall in Russian stocks. The successes of the Turks in the field of battle led to the conclusion that Russia had engaged in an undertaking which would test her financial position, as well as her fighting power, in a manner beyond what had been calculated on, considerations which gave colour to adverse rumours and favoured the operations of speculators. The political aspect at the same time caused some fluctuations in consols.

The announcement of the death of M. Thiers produced no effect upon the price of French funds, but the difficulties raised regarding his funeral caused some anxiety. Considerable firmness was imparted to the foreign market later on in the month by news of a great Russian victory at Plevna, a circumstance which also induced the maintenance of firmness on the German and Austrian bourses. As the prospect of a continuance of low rates for money fades away, prices of stocks, more particularly those of a speculative character, yield more readily to the influence of passing events. The rise in the value of money has been followed by a fall in the prices of English railways at the settlement in the middle of the month; Great Northern marking the principal fall, whilst North British and Caledonian were down in a lesser degree. Colonial Government securities, on the other hand, continued firm and in some instances were quoted higher.

Joint-stock bank shares have been a quiet market, rather dull on the whole, the principal movement being confined to some of the Anglo-foreign banks which stir in sympathy with the reports from the seat of war.

Amongst later events affecting the markets adversely have been the Russian reverses in the war with Turkey and Marshal McMahon's manifesto, but the effects of the accounts of the disastrous slaughter occurring in the fields of battle have at the same time been modified by reports of anticipated intervention between the combatants.

The new Indian loan will help the movement in the direction of higher rates.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to **the Proprietors, Waterlow & Sons Limited, 25, Great Winchester Street, London,** who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1876.	\$	\$	%	\$	\$	\$
Dec. 6	27,612,925	28,544,460	103	15,832,797	17,102,566	6,398,081
13	27,196,160	28,199,140	104	15,833,004	17,017,236	7,231,822
20	27,460,980	28,082,925	102	15,934,208	17,083,627	7,785,933
27	27,898,255	27,810,945	100	15,958,653	17,518,852	8,173,488
1877.						
Jan. 3	28,622,775	27,533,430	96	15,969,162	19,582,320	6,203,440
10	28,302,820	27,351,155	96	18,766,486	17,516,675	4,373,157
17	28,037,420	26,484,920	94	18,267,876	17,676,108	3,955,536
24	27,638,950	26,319,380	95	17,317,876	17,762,841	4,101,623
31	27,592,885	26,650,241	97	16,367,876	17,732,917	4,837,165
Feb. 7	27,814,430	25,624,520	92	16,001,441	17,787,156	5,613,338
14	27,541,435	25,590,545	93	16,001,441	17,818,123	6,632,609
21	27,177,240	25,824,255	95	16,026,176	17,576,949	6,857,731
28	27,216,605	26,010,290	96	16,026,176	19,071,302	7,215,293
Mar. 7	27,347,790	25,510,290	93	15,988,176	19,049,118	8,295,675
14	27,058,190	25,554,275	94	15,998,532	19,103,570	8,695,941
21	26,961,195	25,495,540	94	16,002,035	19,344,179	8,883,936
28	27,982,640	25,742,035	92	15,502,035	23,766,279	11,530,029
April 4	28,412,165	25,283,790	89	15,308,096	22,854,102	9,916,041
11	28,566,345	25,081,145	88	15,319,338	19,514,925	6,835,131
18	28,416,030	25,175,295	88	15,329,901	19,490,216	6,457,402
25	28,385,890	24,835,320	88	15,329,901	19,269,702	6,473,216
May 2	29,077,985	24,228,650	83	15,340,207	20,482,345	6,315,550
9	28,548,885	23,972,650	84	15,348,494	19,646,733	6,638,594
16	28,479,010	23,981,900	84	15,364,904	19,366,162	6,577,403
23	28,065,055	24,000,705	85	15,364,904	19,347,395	6,415,539
30	27,955,420	24,021,990	86	15,354,904	19,082,728	6,523,808
June 6	28,035,185	24,444,240	87	15,214,859	19,379,635	7,243,548
13	27,729,660	24,832,340	89	15,214,859	18,663,592	7,914,651
20	27,406,290	25,693,950	94	15,214,859	18,444,770	8,133,581
27	27,994,045	25,910,475	93	15,214,859	18,510,050	8,760,469
July 4	28,774,340	26,076,865	90	14,989,321	20,429,201	5,727,684
11	28,767,460	26,746,945	93	16,089,088	18,289,670	3,761,325
18	28,598,090	26,776,435	94	15,889,088	18,249,551	5,351,334
25	28,460,275	26,246,585	92	14,989,088	18,179,006	4,904,907
Aug. 1	28,758,360	25,936,465	90	15,240,605	18,445,792	5,369,654
8	28,898,755	25,358,950	88	14,990,554	18,027,819	5,276,390
15	28,546,860	24,692,600	86	14,990,554	18,271,813	4,604,066
22	28,203,210	24,423,960	87	14,990,554	18,196,144	4,295,440
29	27,900,545	24,193,255	87	14,910,568	18,519,555	4,302,420
Sept. 5	28,159,635	24,008,215	85	14,374,568	19,601,321	4,315,064
12	27,706,770	23,620,050	85	14,174,568	19,907,560	4,609,919
19	27,533,275	23,683,045	86	14,121,093	19,684,015	4,879,243

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount.
1876.	£	£	£	£	%	
Dec. 6	25,427,699	311,946	32,137,726	16,787,290	52	2
13	24,605,596	334,620	32,072,038	16,809,930	52	—
20	23,634,924	321,397	31,742,254	16,315,553	52	—
27	22,875,676	299,153	31,348,317	15,467,179	49	—
1877.						
Jan. 3	25,936,786	328,619	32,468,845	14,591,390	45	—
10	28,385,591	381,955	33,140,703	14,694,912	44	—
17	28,086,715	349,136	32,391,387	14,317,794	44	—
24	27,365,718	331,834	31,799,175	14,591,076	46	—
31	25,146,245	315,669	30,299,079	14,057,356	46	—
Feb. 7	23,520,174	329,031	29,462,543	13,562,473	46	—
14	22,890,468	297,860	29,820,937	13,896,824	47	—
21	23,152,710	280,370	30,290,811	14,581,064	48	—
28	24,039,409	258,794	31,513,496	14,704,822	47	—
Mar. 7	22,235,162	302,062	30,832,899	14,086,465	45	—
14	22,289,135	264,315	31,249,391	14,441,048	46	—
21	22,264,911	267,221	31,416,068	14,375,131	45	—
28	22,615,486	304,262	34,449,777	13,481,652	39	—
April 4	22,215,615	300,812	32,432,468	12,572,518	39	—
11	22,430,616	367,973	29,633,720	12,418,314	42	—
18	23,190,134	329,403	29,976,939	12,779,964	43	—
25	22,477,887	318,512	29,269,615	12,294,320	42	—
May 2	22,480,099	337,059	29,132,708	10,926,636	37	3
9	21,682,317	344,820	28,665,731	11,290,854	39	—
16	21,703,571	333,520	28,614,494	11,514,653	40	—
23	22,167,827	288,726	28,872,092	11,789,442	40	—
30	22,141,497	254,898	28,920,203	12,053,767	41	—
June 6	21,702,873	253,096	29,199,517	12,189,816	41	—
13	21,138,081	269,761	29,322,493	13,031,796	44	—
20	21,888,742	257,035	30,279,358	14,209,534	47	—
27	20,957,739	241,753	31,959,961	13,632,353	43	—
July 4	24,894,691	286,179	30,908,554	13,174,000	43	2½
11	26,371,322	309,859	30,442,506	13,911,797	46	2
18	24,632,345	305,975	30,289,654	14,031,602	46	—
25	23,559,007	288,053	28,851,967	13,569,230	47	—
Aug. 1	23,079,821	313,426	28,762,901	12,983,171	45	—
8	21,640,789	361,151	27,278,330	12,172,803	45	—
15	22,462,403	340,925	27,407,394	12,060,017	44	—
22	22,771,398	327,893	27,394,731	12,119,949	44	—
29	23,013,944	346,463	27,662,327	12,128,674	44	3
Sept. 5	22,716,354	426,058	27,457,496	11,722,513	43	—
12	22,730,442	374,156	27,614,517	11,778,581	42	—
19	22,224,951	341,599	27,445,793	11,899,404	43	—

For the corresponding statement, from January to October, 1876, see page 848 of "The Banking Almanac" for 1877.

PUBLIC INCOME AND EXPENDITURE.

The following are the receipts into and payment out of the Exchequer between April 1, 1877, and September 22, 1877 :—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1877-78.	Total Receipts into the Exche- quer from April 1, 1877, to Sept. 22, 1877.	Total Receipts into the Exche- quer from April 1, 1876, to Sept. 22, 1876.
Balance, April 1, 1877.	£	£	£
Bank of England	—	4,815,797	3,826,896
Bank of Ireland	—	1,172,853	1,292,691
		5,988,650	5,119,587
REVENUE.			
Customs	19,850,000	9,051,000	9,146,000
Excise	27,500,000	12,062,000	12,244,000
Stamps	10,920,000	5,177,000	5,179,000
Land Tax & House Duty	2,560,000	656,000	555,000
Property and Income Tax	5,540,000	1,342,000	945,000
Post Office	6,100,000	3,089,000	2,881,000
Telegraph Service	1,300,000	635,000	610,000
Crown Lands	410,000	155,000	165,000
Interest on advances for Local Works and on Purchase Money of Suez Canal Shares	949,000	451,504	319,543
Miscellaneous	3,891,000	1,872,930	1,682,463
Revenue	79,020,000	34,491,434	33,727,006
Total, including balance		40,480,084	38,846,593
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)		—	700,000
Advances under various Acts, repaid to Exchequer		671,998	749,212
Money raised for Fortifications & Military Barracks		500,000	250,000
Ditto Local Loans, by Exchequer Bonds		—	500,000
Ditto ditto Treasury Bills ..		1,639,000	—
Totals	£	43,291,080	41,045,805

EXPENDITURE AND OTHER PAYMENTS.

	Estimate for the Financial Year 1877-78.	Total Issues out of Exchequer to meet Payments from April 1, 1877, to Sept. 22, 1877.	Total Issues out of Exchequer to meet payments from April 1, 1876, to Sept. 22, 1876.
EXPENDITURE.			
Permanent charge of Debt	£28,000,000	£13,460,694	£13,523,971
Interest on Temporary Loans for Local Works, and Interest, &c., on Ex- chequer Bonds (Suez)	*420,000	148,384	118,750
Other charges on Consolidated Fund	*1,600,000	680,715	820,859
Supply Services	†49,125,000	21,720,397	21,410,930
Estimate	79,145,000		
Expenditure		36,010,090	35,874,510
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		1,799,095	2,020,820
Expenses of Fortifications and Military Barracks ..		500,000	250,000
Exchequer Bills paid off		7,900	81,400
Treasury Bills ditto		1,639,000	—
		39,956,085	38,226,730
Balances on September 22, 1877 :—			
Bank of England		2,659,886	2,052,560
Bank of Ireland		675,109	768,515
Totals	£	43,291,080	41,045,805

As stated in the Budget.

+ As granted by the Appropriation Act.

BANK OF FRANCE.

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DEBTOR.

	Aug. 23.		Aug. 30.		Sept. 6.		Sept. 13.		Sept. 20.	
	F.	C.	F.	C.	F.	C.	F.	C.	F.	C.
Capital of the Bank ...	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54
Reserve of the Bank and its branches ...	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14
Reserve of landed property ...	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Special Reserve ...	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Notes in circulation ...	2,369,433,055	0	2,392,637,330	0	2,361,037,760	0	2,366,941,920	0	2,368,040,340	0
Bank-notes to order and receipts payable at sight ...	58,161,718	10	59,589,288	41	59,901,107	84	61,104,449	0	62,057,320	88
Treasury account current, creditor ...	216,591,014	2	217,647,419	77	204,238,000	48	175,251,037	20	182,334,685	46
Current accounts, Paris Do., branch banks ...	44,492,734	0	44,695,232	0	42,843,945	16	425,170,133	60	427,019,957	83
Dividends payable ...	2,209,917	0	2,068,699	0	48,216,917	0	44,823,473	0	39,174,269	0
Interest on securities transferred or deposited ...	5,140,308	48	4,514,952	98	1,897,720	0	1,897,398	0	1,507,981	0
Discounts and sundry interests ...	2,225,469	92	2,380,385	90	4,731,174	36	4,150,787	49	3,832,672	84
Re-discounted the last six months ...	1,271,342	98	1,271,342	98	2,650,503	8	2,943,773	33	3,401,107	75
Bills not disposable ...	3,214,758	9	1,680,635	71	1,271,342	98	1,271,342	98	1,371,342	98
Reserve for eventual losses on prolonged bills	6,897,164	82	6,897,164	82	4,854,064	70	2,080,841	45	2,814,439	75
Sundries ...	16,803,560	73	14,322,615	38	6,897,164	82	6,897,164	82	6,897,164	82
					15,312,018	29	14,550,929	31	14,585,582	68
Total ...	3,383,554,048	66	3,421,534,360	7	3,360,549,773	39	3,335,701,272	86	3,332,145,918	67

CREDITOR.

	Aug. 23.		Aug. 30.		Sept. 6.		Sept. 13.		Sept. 20.	
	F.	C.	F.	C.	F.	C.	F.	C.	F.	C.
Cash in hand and in branch banks ...	2,217,623,087	33	2,212,419,136	36	2,212,604,083	89	2,210,992,579	52	2,209,976,945	11
Commercial bills overdue ...	162,054	35	71,991	95	321,809	98	219,969	83	97,679	57
Commercial bills discounted, not yet due	160,013,455	18	199,759,187	7	148,504,910	20	150,288,458	45	158,164,062	30
Treasury bonds ...	338,845,000	0	338,845,000	0	338,845,000	0	310,776,000	0	310,776,000	0
Commercial bills, branch banks ...	234,983,730	0	235,419,048	0	224,989,609	0	228,938,465	0	227,904,263	0
Advances on deposits of bullion ...	14,675,900	0	15,485,200	0	15,832,800	0	15,994,600	0	17,567,000	0
Do. in branch banks ...	5,475,700	0	5,482,300	0	5,561,400	0	5,392,500	0	5,412,900	0
Do. in French public securities ...	37,889,100	0	38,284,800	0	38,423,500	0	38,504,200	0	38,279,400	0
Do. on railway shares and debentures ...	20,554,700	0	20,005,400	0	25,294,760	0	26,423,660	0	25,600,960	0
Do. by branch banks ...	16,598,900	0	16,551,600	0	20,636,900	0	20,641,900	0	20,728,400	0
Do. on Crédit Foncier bonds ...	1,509,000	0	1,520,800	0	16,379,300	0	16,373,400	0	16,441,700	0
Do. branches ...	935,400	0	915,900	0	1,517,600	0	1,530,300	0	1,533,600	0
Do. to the State (Convention June 10, 1857)	60,000,000	0	60,000,000	0	909,600	0	913,800	0	937,300	0
Government stock reserve ...	12,980,750	14	12,980,750	14	60,000,000	0	60,000,000	0	60,000,000	0
Do. disposable ...	81,998,823	79	81,998,823	79	60,000,000	0	60,000,000	0	60,000,000	0
Rentes Immobilisées (Law of June 9, 1857)	100,000,000	0	100,000,000	0	12,980,750	14	12,980,750	14	12,980,750	14
Hotel and furniture of the Bank, and landed property of branches	9,205,553	0	9,205,553	0	81,998,823	79	81,998,823	79	81,998,823	79
Expenses of management ...	1,974,046	92	2,508,003	74	100,000,000	0	100,000,000	0	100,000,000	0
Employ of the Special Reserve ...	12,000,000	0	12,000,000	0	9,207,847	0	9,220,741	0	9,222,164	0
Sundries ...	30,504,398	95	32,224,918	2	2,531,235	9	2,560,730	37	2,601,647	17
					12,000,000	0	12,000,000	0	12,000,000	0
					32,024,893	30	30,681,384	76	31,935,284	69
Total ...	3,383,554,048	66	3,421,534,360	7	3,360,549,773	39	3,335,701,272	86	3,342,145,918	67

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1877. Aug. 29.	1877. Sept. 5.	1877. Sept. 12.	1877. Sept. 19.
Notes issued	£ 39,193,255	£ 39,008,215	£ 38,620,050	£ 38,683,045
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	8,984,900	8,984,900	8,984,900	8,984,900
Gold coin and bullion	24,193,355	24,008,215	23,620,050	23,683,045
Silver bullion				
	39,193,255	39,008,215	38,620,050	38,683,045

BANKING DEPARTMENT.

	1877. Aug. 29.	1877. Sept. 5.	1877. Sept. 12.	1877. Sept. 19.
Proprietors' capital	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve	3,342,970	3,687,906	3,693,192	5,706,719
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts)... ..	4,302,430	4,315,034	4,509,919	4,879,243
Other deposits	23,013,944	22,716,354	22,730,443	22,224,951
Seven day and other bills	346,463	426,059	374,156	341,569
	45,558,797	45,688,402	45,880,709	45,704,512
Government Securities	14,910,568	14,374,568	14,174,568	14,121,093
Other Securities	18,519,555	19,601,321	19,807,780	19,684,015
Notes... ..	11,283,710	10,848,580	10,913,280	11,142,770
Gold and Silver coin	835,964	873,933	865,301	749,634
	45,558,797	45,688,402	45,880,709	45,704,512

THE EXCHANGES.

	Aug. 31	Sept. 7.	Sept. 14.	Sept. 21.
Amsterdam, short	12 2½	12 2½	12 2½	12 3
Ditto, 3 months	12 4½	12 4½	12 4½	12 4½
Rotterdam, ditto	12 4½	12 4½	12 4½	12 4½
Antwerp and Brussels, ditto	25 37½	25 40	25 42½	25 42½
Paris, short	25 22½	25 27½	25 27½	25 25
Ditto 3 months	25 35	25 40	25 40	25 37½
Marseilles, ditto	25 35	25 40	25 40	25 37½
Hamburg, ditto	20 68	20 69	20 73	20 74
Berlin, ditto	20 68	20 69	20 73	20 74
Leipsic, ditto	20 68	20 70	20 73	20 74
Frankfort-on-the-Main, ditto	20 68	20 69	20 73	20 74
Petersburgh, ditto	24½	24½	24½	24½
Copenhagen, ditto	18 60	18 60	18 60	18 60
Vienna, ditto	12 22½	12 22½	12 5	12 7
Trieste, ditto	12 22½	12 22½	12 5	12 7½
Zurich and Basle, ditto	25 40	25 40	25 40	25 40½
Madrid, ditto	47½	47½	47½	47½
Cadix, ditto	47½	47½	47½	47½
Seville, ditto	47½	47½	47½	47½
Barcelona, ditto	47½	47½	47½	47½
Malaga, ditto	47½	47½	47½	47½
Granada, ditto	47½	47½	47½	47½
Santander, ditto	47½	47½	47½	47½
Bilboa, ditto	47½	47½	47½	47½
Zaragoza, ditto	47½	47½	47½	47½
Genoa, Milan, Leghorn, ditto	27 87½	28 2½	27 97½	28 2½
Venice, ditto	27 87½	28 2½	27 97½	28 2½
Naples, ditto	27 87½	28 2½	27 97½	28 2½
Palermo and Messina, ditto	27 87½	28 2½	27 97½	28 2½
Lisbon, 80 days	51½	51½	51½	51½
Oporto, ditto	51½	51½	51½	51½
Rio Janeiro, 60 days	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 10	3 17 10	3 17 9½	3 17 9½
Mexican Dollars	0 4 5½	0 4 5½	0 4 5½	0 4 5½
Silver in Bars (Standard)	0 4 6½	0 4 6½	0 4 6½	0 4 6½

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
"	207 Private Banks	5,153,407
"	72 Joint Stock Banks	8,495,446
Scotland—	12 Joint Stock Banks	3,087,209
Ireland—	6 Joint Stock Banks.. .. .	6,854,494
		<u>£32,090,556</u>

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£275,000
1861—July 10th	175,000
1866—Feb. 21st	850,000
	<u>1,000,000</u>
	<u>£33,090,556</u>

Deduct Lapsed Issues—

England—	*91 Private Banks	£1,434,261
"	20 Joint Stock Banks	907,895
Scotland—	1 Joint Stock Bank, combining two issues, namely:—	
	Ayrshire Bank	£53,656
	Western Bank of Scotland	284,282
		<u>887,988</u>
		<u>2,680,094</u>
		<u>£30,410,462</u>

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
"	*110 Private Banks	8,719,146
"	52 Joint Stock Banks	2,587,551
Scotland—	†11 Joint Stock Banks	2,749,271
Ireland—	6 Joint Stock Banks	6,854,494
		<u>£30,410,462</u>

*NOTE.—The number of Private Banks authorized to issue their own notes in England, by the Act of 1844, was .. 207
 Diminished in number by amalgamation 6
 Lapsed Issues 91

—

97

110

† The number of Banks authorized to issue their own notes in Scotland, by the Act of 1845, was 19
 Diminished in number by amalgamation 6
 Lapsed Issues, as stated above 2

—

8

11

ENGLISH FUNDS.

	Price on Sept. 21.	Highest.	Lowest.	Price on Aug. 24.
Consols	95½	95½	94½	95½
Exchequer Bills	..	14/ pm.	1/ pm.	..

Bank Rate of Discount 3 per cent.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Aug. 11.	Aug. 18.	Aug. 25.	Sept. 1.
1 Ashford Bank	£ 11,849	£ 10,125	£ 10,304	£ 10,254	£ 10,470
2 Aylesbury Old Bank	48,461	20,170	19,990	19,782	19,526
3 Baldock and Biggleswade Bank	37,223	16,436	16,989	17,243	17,841
4 Barnstable Bank	17,182	8,312	3,400	3,431	3,440
5 Bedford Bank	34,218	25,983	25,810	25,359	25,110
6 Bicester and Oxfordshire Bank	27,090	13,056	13,046	12,945	12,782
7 Boston Bank—Garfit and Co.	75,069	45,745	47,526	45,852	45,930
8 Broseley and Bridgnorth Bank	26,717	11,187	10,636	10,381	10,455
9 Buckingham Bank	29,657	17,185	17,856	18,416	17,788
10 Bury and Suffolk Bank	82,362	33,348	32,225	32,025	32,415
11 Banbury Bank	43,457	20,041	20,046	20,063	20,024
12 Banbury Old Bank	55,153	18,005	17,831	17,659	17,518
13 Bedfordshire Leighton Buzzard Bk.	36,829	31,235	30,513	30,608	30,569
14 Brecon Old Bank	68,271	26,980	26,759	27,041	25,920
15 Brighton Union Bank	33,794	18,673	18,013	17,283	17,538
16 Burlington and Driffield Bank	12,745	11,893	11,792	11,332	11,332
17 Bury St. Edmunds Bank	3,201	1,612	1,557	1,467	1,388
18 Cambridge Bank—Mortlock & Co.	25,744	11,573	11,323	10,853	10,692
19 Cambridge and Cambridgeshire Bank	49,916	38,750	37,854	36,861	35,410
20 Canterbury Bank	33,671	17,465	16,506	16,328	15,978
21 Colchester Bank	25,082	10,685	10,473	9,922	9,835
22 Colchester and Essex Bank	48,704	23,201	22,603	22,720	22,450
23 Cornish Bank	49,869	24,402	24,052	22,627	22,531
24 City Bank, Exeter	21,527	11,861	11,490	10,955	10,965
25 Craven Bank—Birkbeck and Co.	77,154	75,568	75,036	75,922	75,564
26 Derby Bank—Smith & Co.	41,804	24,048	23,557	22,945	22,316
27 Devizes and Wiltshire Bank	20,674	4,357	4,103	4,121	4,105
28 Darlington Bank	86,218	81,105	82,403	81,813	81,289
29 Devonport Bank	10,664	4,001	3,989	4,310	4,033
30 Dorchester Old Bank	48,807	36,020	37,045	35,444	35,053
31 East Cornwall Bank	112,280	88,988	85,015	83,325	82,635
32 East Riding Bank	53,392	51,556	51,839	50,649	51,092
33 Essex Bk. and Bishop's Stortford Bk.	69,637	34,658	33,439	33,356	33,660
34 Exeter Bank	37,894	14,646	14,682	14,500	14,515
35 Farnham Bank	14,202	5,497	5,317	5,290	5,246
36 Faversham Bank	6,681	4,472	4,270	4,700	4,055
37 Godalming Bank	6,322	6,073	5,886	5,615	5,422
38 Guildford Bank	14,524	10,246	9,956	9,904	9,885
39 Grantham Bank—Hardy and Co.	30,372	13,668	13,452	13,047	12,758
40 Hull and Kingston-upon-Hull Bank ..	19,979	18,485	18,888	18,596	18,365
41 Huntingdon Town and County Bank	56,591	17,361	16,946	17,255	17,627
42 Harwich Bank	5,778	4,185	3,940	3,996	4,015
43 Hertfordshire, Hitchin Bank	38,764	29,013	28,098	26,980	27,387
44 Ipswich Bank	21,901	15,287	15,399	15,619	16,038
45 Ipswich and Needham Market Bank ..	80,699	43,207	42,177	41,612	41,950
46 Kentish Bank—Mercers and Co.	19,895	14,600	14,738	14,375	14,184
47 Kingston and Radnorshire Bank	26,050	20,357	18,799	18,816	20,206
48 Knaresborough Old Bank	21,825	15,872	15,682	15,994	15,755
49 Kendal Bank	44,663	40,493	41,354	40,802	40,994
50 Leeds Bank	130,757	120,271	118,463	115,595	112,462
51 Leeds Union Bank	37,459	34,225	35,059	33,155	32,357

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Aug. 11.	Aug. 18.	Aug. 25.	Sept. 1.
	£	£	£	£	£
52 Leicester Bank.....	32,323	22,597	21,071	21,455	21,724
53 Lewes Old Bank	44,836	18,301	18,614	19,092	18,406
54 Lincoln Bank	100,342	83,348	83,079	81,440	80,384
55 Llandoverly Bank and Llandilo Bank	32,945	12,173	14,145	15,629	14,076
56 Loughborough Bank	7,859	6,343	6,372	6,281	6,825
57 Lymington Bank	5,088	2,111	2,112	2,180	2,177
58 Lynn Regis and Lincolnshire Bank..	42,817	23,754	24,278	23,736	23,892
59 Lynn Regis and Norfolk Bank	13,917	9,783	9,622	9,597	10,366
60 Macclesfield Bank	15,760	8,643	8,472	8,589	8,627
61 Miners' Bank.....	18,688	13,140	13,114	12,827	13,133
62 Monmouth Old Bank	16,365	1,577	1,801	1,782	1,916
63 Newark Bank.....	28,788	5,871	5,592	6,384	5,913
64 Newark and Sleaford Bank	51,615	80,317	80,160	29,707	29,801
65 Newbury Bank	36,787	11,733	12,339	12,296	11,627
66 Newmarket Bank.....	23,098	12,887	12,730	12,318	12,143
67 Norwich and Norfolk Bank	105,519	73,146	73,173	71,870	70,033
68 Naval Bank, Plymouth	27,321	21,576	20,707	20,487	20,535
69 New Sarum Bank—Pinckney Bros...	15,659	3,377	3,412	3,362	3,646
70 Nottingham Bank	31,047	29,195	29,611	29,739	30,439
71 Oswestry Bank	18,471	7,678	7,216	6,824	6,440
72 Oxford Old Bank	34,891	27,142	26,272	25,235	24,820
73 Old Bank, Tonbridge	13,183	10,761	10,586	10,055	10,344
74 Oxfordshire Witney Bank	11,852	6,127	5,806	5,627	5,353
75 Pease's Old Bank, Hull	48,807	48,689	47,477	48,310	49,509
76 Penzance Bank.....	11,405	9,203	8,856	8,358	8,103
77 Reading Bank—Simonds and Co.....	37,519	21,592	20,655	20,045	19,861
78 Reading Bk.—Stephens, Blandy & Co.	43,271	25,351	24,285	24,075	24,075
79 Richmond Bank, Yorkshire	6,889	6,136	5,851	5,908	5,928
80 Royston Bank	16,893	6,947	6,966	6,940	6,849
81 Rye Bank	29,864	8,028	7,302	7,623	7,804
82 Saffron Walden and North Essex Bk.	47,646	17,481	17,194	16,930	17,022
83 Salop Bank	22,338	3,765	3,759	3,875	3,697
84 Scarborough Old Bank	24,813	24,045	23,933	24,065	24,211
85 Shrewsbury Old Bank	43,191	20,968	20,798	20,326	20,604
86 Sittingbourne and Milton Bank	4,789	1,327	1,261	1,285	1,235
87 Southampton Town and County Bank	25,359	8,132	7,486	6,856	7,023
88 Stamford and Rutland Bank	31,858	9,555	9,444	9,385	9,380
89 Shrewsbury and Welchpool Bank....	25,336	15,936	15,771	15,877	15,547
90 Tavistock Bank	13,421	10,806	10,631	10,641	11,108
91 Thornbury Bank	10,026	6,344	6,095	5,858	5,525
92 Tiverton and Devonshire Bank.....	13,470	5,244	4,954	4,828	4,940
93 Thrapstone and Kettering Bank	11,559	9,819	9,991	9,825	9,844
94 Tring Bank and Chesham Bank	13,531	12,920	12,582	12,365	11,905
95 Towcester Old Bank	10,801	4,922	4,954	4,788	4,796
96 Union Bank, Cornwall	17,008	3,963	3,543	3,506	3,422
97 Uxbridge Old Bank.....	25,136	6,701	6,240	6,028	5,887
98 Wallingford Bank.....	17,064	3,157	3,091	3,327	3,562
99 Warwick and Warwickshire Bank ..	30,504	20,858	21,265	21,149	20,884
100 Wellington Somerset Bank	6,528	5,065	5,099	4,423	3,958
101 West Riding Bank	46,158	37,195	37,054	36,747	37,318
102 Whitby Old Bank.....	14,258	10,594	10,774	10,626	10,080
103 Winchester, Alresford and Alton Bk.	25,892	9,045	8,851	8,811	8,695
104 Weymouth Old Bank	16,461	11,622	11,342	10,968	10,865
105 Wisbech and Lincolnshire Bank	59,713	26,466	26,124	25,152	24,855
106 Wiveliscombe Bank.....	7,602	1,373	1,521	1,438	1,369
107 Worcester Old Bank	87,448	40,818	39,985	32,763	38,984
108 Yarmouth and Suffolk Bank	53,060	29,823	29,556	29,115	29,432
109 Yarmouth, Norfolk, and Suffolk Bank	13,229	7,937	8,034	7,976	7,585
110 York Bank.....	46,387	30,923	31,084	29,716	28,563

JOINT STOCK BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Aug. 11.	Aug. 18.	Aug. 25.	Sept. 1.
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	10,487	10,419	10,055	10,580
2 Barnsley Banking Company.....	9,563	8,615	8,136	7,893	8,556
3 Bradford Banking Company	49,292	47,545	47,768	47,520	47,066
4 Bank of Whitehaven	32,681	26,185	25,812	24,667	24,678
5 Bradford Commercial Banking Co. ..	20,084	18,035	19,671	20,045	19,990
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	35,327	35,762	35,950	35,633
7 Chesterfield & N. Derbyshire Bk. Co..	10,421	9,774	10,170	10,185	9,772
8 Cumberland Union Banking Co.....	35,395	31,274	30,504	31,240	32,924
9 Coventry and Warwickshire Bk. Co..	28,784	13,937	15,129	14,474	14,907
10 Coventry Union Banking Company ..	16,251	13,888	13,979	13,934	13,879
11 County of Gloucester Banking Co.....	144,352	81,989	81,084	78,351	78,665
12 Carlisle and Cumberland Banking Co.	25,610	25,030	24,866	24,831	24,878
13 Carlisle City and District Bank	19,972	19,965	19,693	20,133	18,848
14 County of Stafford Bank	9,418	7,273	7,296	7,368	6,796
15 Derby and Derbyshire Banking Co. ..	20,093	20,000	18,185	18,962	18,471
16 Darlington District Joint Stock Bk. Co.	26,184	21,934	21,801	21,735	22,265
17 Gloucestershire Banking Company ..	155,920	132,246	131,641	130,122	131,060
18 Halifax Joint Stock Bank.....	18,534	18,263	18,298	18,478	18,045
19 Huddersfield Banking Company.....	37,354	36,585	37,717	38,086	36,545
20 Hull Banking Company	29,333	26,203	29,138	29,633	30,801
21 Halifax Commercial Banking Co.	13,738	10,225	10,086	10,278	10,832
22 Halifax and Huddersfield Union Bank	44,137	31,486	30,969	30,823	29,385
23 Knaresborough and Claro Banking Co.	28,059	24,804	24,616	25,319	26,343
24 Lancaster Banking Company	64,311	58,457	54,402	54,815	54,706
25 Leicestershire Banking Company	36,060	58,032	58,300	57,892	58,168
26 Lincoln and Lindsey Banking Co.....	51,620	43,623	44,050	44,879	44,816
27 Leamington Priors and Warwickshire Banking Company	18,875	11,160	11,009	10,915	10,850
28 Ludlow and Tenbury Bank	10,215	9,479	9,932	9,328	9,041
29 Moore and Robinson's Notts. Bkg. Co.	35,813	35,642	32,516	34,359	35,124
30 Nottingham and Notts. Banking Co..	29,477	28,304	28,254	27,155	28,426
31 Northamptonshire Union Bank	34,356	58,165	57,666	57,043	55,620
32 Northamptonshire Banking Company	26,401	16,095	15,740	15,207	15,230
33 North and South Wales Bank.....	63,951	57,105	59,660	59,468	58,740
34 Pares's Leicestershire Banking Co. ..	59,300	49,971	48,993	47,917	48,710
35 Sheffield Banking Company	35,843	24,353	23,403	24,050	26,605
36 Stamford, Spalding & Boston Bk. Co.	55,721	40,490	39,613	39,347	40,725
37 Stuckey's Banking Company	356,976	292,490	290,154	289,795	291,156
38 Stourbridge & Kidderminster Bkg. Co.	56,830	42,473	42,538	42,301	41,987
39 Sheffield and Hallamshire Bkg. Co. ..	23,524	23,189	22,296	21,899	22,053
40 Sheffield & Rotherham Joint Stock Bk.	52,496	46,633	45,553	43,466	43,450
41 Swaledale and Wensleydale Bkg. Co. ..	54,372	44,768	45,100	43,895	43,513
42 Wolverhampton and Staffordshire Bk.	35,378	16,518	16,140	15,893	15,687
43 Wakefield and Barnsley Union Bank..	14,604	13,501	13,296	13,420	13,061
44 Whitehaven Joint Stock Bkg. Co.	31,916	25,623	25,822	25,425	25,814
45 West of Eng. & S. Wales District Bk.	33,535	63,609	66,902	69,713	69,788
46 Wilts and Dorset Banking Company..	76,162	75,229	75,110	71,578	72,275
47 West Riding Union Banking Company	34,029	32,343	32,826	32,496	32,595
48 Whitchurch and Ellesmere Bk. Co. ..	7,475	3,716	3,720	3,720	3,935
49 Worcester City and County Bk. Co. ..	6,848	1,125	950	1,441	1,041
50 York Union Banking Co.....	71,240	67,417	67,000	66,887	67,262
51 York City and County Banking Co. ..	94,695	90,410	89,886	89,084	88,420
52 Yorkshire Banking Company	122,582	117,428	117,094	117,490	115,883

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 1st September, 1877.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland	3,738,428	1,820,125	1,159,925	2,980,050	585,185
Provincial Bank of Ireland	927,667	488,014	377,242	865,256	362,889
Belfast Bank	281,611	197,398	259,078	456,472	316,853
Northern Bank	243,440	215,068	272,267	487,335	375,838
Ulster Bank	311,079	376,115	343,880	719,995	594,245
The National Bank	852,269	878,768	580,574	1,454,342	876,142
TOTALS (Irish Banks)....	6,854,494	3,970,488	2,992,961	6,968,450	3,060,652

SCOTCH BANKS.

Bank of Scotland	348,418	213,045	460,566	673,611	442,226
Royal Bank of Scotland	216,451	244,812	468,032	712,344	601,805
British Linen Company	438,024	162,195	373,503	535,699	198,959
Commercial Bank of Scotland..	374,880	230,403	543,952	774,356	540,717
National Bank of Scotland	297,024	186,880	420,302	607,182	401,446
Union Bank of Scotland	454,346	245,060	508,753	753,813	457,256
Aberdeen Town & County Bank	70,133	91,830	120,003	211,833	172,927
North of Scotland Banking Co.	154,319	149,291	168,918	318,209	230,643
Clydesdale Banking Company..	274,321	191,678	347,055	538,734	399,586
City of Glasgow Bank	72,921	221,658	406,205	627,864	621,657
Caledonian Banking Company .	53,434	44,653	80,157	124,811	86,691
TOTALS (Scotch Banks)....	2,749,271	1,981,005	3,897,446	5,878,456	4,093,913

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING SEPTEMBER 1st, 1877.**

	Fixed Issues.	Aug. 11.	Aug. 18.	Aug. 25.	Sept. 1.
	£	£	£	£	£
110 Private Banks	3,719,146	2,256,512	2,233,608	2,195,047	2,185,359
52 Joint-Stock Banks	2,587,551	2,118,368	2,110,265	2,099,050	2,105,110
162 Totals	6,306,697	4,374,880	4,342,873	4,294,097	4,290,469

Average Weekly Circulation of these Banks for the month ending Sept. 1, 1877:—

Private Banks	£2,217,881
Joint-Stock Banks	2,108,198

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,325,579

On comparing these amounts with the Returns for the month ending Aug. 4th last, they show:—

A decrease in the notes of Private Banks, of	£96,649
A decrease in the notes of Joint-Stock Banks, of	34,431

Total decrease on the month £131,080

And, as compared with the month ending Sept. 2nd, 1876:—

A decrease in the notes of Private Banks, of	£72,435
A decrease in the notes of Joint-Stock Banks, of	35,156

Total decrease as compared with the same period of last year £107,591

The following is the comparative state of the circulation as regards the fixed issues:—

The Private Banks are <i>below</i> their fixed issues	£1,501,765
The Joint-Stock Banks are <i>below</i> their fixed issues	479,353

Total below their fixed issues £1,981,118

SUMMARY OF IRISH AND SCOTCH RETURNS TO SEPTEMBER 1st, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

Average Circulation of the Irish Banks	£6,963,450
Average Circulation of the Scotch Banks	5,878,456

Total Average Circulation of these Banks for the past month £12,841,906

On comparing these amounts with the Returns for the month ending 4th Aug. last, they show—

Decrease in the Circulation of Irish Banks	£110,821
Decrease in the Circulation of Scotch Banks	135,356

Total decrease on the month.. .. . £245,677

And as compared with the month ending Sept. 2nd, 1876, they show—

Increase in the Circulation of Irish Banks	£123,383
Decrease in the Circulation of Scotch Banks	23,378

Total increase as compared with the same period of last year £99,955

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	£6,354,494
11 Banks in Scotland, allowed to issue	..	..	..	..	2,749,271
17 Banks in all, allowed to issue	..	..	..	..	£9,103,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	£608,956
Scotch Banks are above their fixed issue	..	..	..	..	8,129,185

Total above the fixed issue	..	..	..	..	£8,738,141
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	£3,060,652
Gold and Silver held by the Scotch Banks	..	..	..	..	4,098,918

Total of Gold and Silver Coin	..	..	..	..	£7,154,565
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Being an increase of £58,898 on the part of the Irish Banks, and a decrease of £15,904 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO SEPTEMBER 1st, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	Sept. 1.	Aug. 4.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 29th Aug.)	28,301,452	28,646,046	..	344,594
Private Banks	2,217,381	2,314,080	..	96,649
Joint-Stock Banks	2,108,198	2,142,629	..	84,431
Total in England	32,627,031	33,102,705	..	475,674
Scotland	5,878,456	6,013,812	..	135,356
Ireland	6,963,450	7,073,771	..	110,321
United Kingdom	45,468,937	46,190,288	..	721,351

The comparison of the month ending Sept. 2nd, 1876, with the month ending Sept. 1st, 1877, shows a decrease in the Bank of England circulation of £154,802, a decrease in Private Banks of £72,435, and a decrease in Joint-Stock Banks of £35,156, being a total decrease in England of £261,893, while in Scotland there is a decrease of £23,378; and in Ireland an increase of £123,333. Thus showing that the month ending the 1st Sept., as compared with the same period last year, presents a decrease of £261,893 in England, and a decrease of £161,938 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending Aug. 29th gives an average amount in both departments of £25,486,774. On a comparison of this with the Return for the previous month, there appears to be a decrease of £1,833,222; and a decrease of £8,566,279 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending Sept. 1st, was £7,154,565; being an increase of £37,494, as compared with the Return of the previous month, and a decrease of £114,688, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	11½
Feb. Aug.	6 "	25	Alliance, Limited	10	12½
Jan. July	"	200f.	Anglo-Austrian	130f.	9½
Mar. Sep.	10 p. ct.	20	Anglo-Californian, Limited	10	
May Nov.	"	20	Anglo-Egyptian Banking, Limited	all	10½
April Oct.	4 p. ct.	20	Anglo-Foreign Banking, Limited	10	
"	"	100f.	Anglo-Hungarian	all	
Feb. Aug.	5 "	20	Anglo-Italian, 1866, Limited	10	
Mar. Sep.	12½ "	40	Bank of Australasia	all	61
April Oct.	7 "	20	Bank of British Columbia	all	
"	7 "	20	Ditto New, issued at £3 pm.	10	
Jan. July	6 "	10	Bank of Constantinople	6	
Feb. Aug.	10 "	25	Bank of Egypt	all	27½
"	12 "	Stk.	Bank of Ireland	100	
Jun. Dec.	5 "	20	Bank of Roumania	8	
Jan. July	10 "	25	Bank of South Australia	all	49
April Oct.	12 "	50	Bank of Victoria, Australia	25	50½
May Nov.	15 "	10	Bank of New Zealand	all	26
"	5 "	50	British North American	all	54½
Feb. Aug.	8 "	10	Central of London, Limited	5	
April Oct.	6 "	20	Chartered of India, Australia, and China	all	
"	8 "	25	Chartered Merc. of India, London and China	all	23
Jan. July	10 "	20	City	10	
"	14 "	100	Colonial	30	61
April Oct.	5 "	6	Commercial Bank of Alexandria, Limited	3	
Jan. July	10 "	10	Consolidated, Limited	4	7½
April Oct.	4½ "	25	Delhi and London, Limited	all	
May Nov.	10 "	20	English Bank of Rio de Janeiro, Limited	10	12½
Feb. Aug.	8 "	20	English, Scottish, and Australian Chartered	all	28
"	"	"	Franco-Egyptian, issued at 5 pm.	10	
Mar. Sep.	6 "	25½	Hong Kong and Shanghai Bank Corporation	all	
Jan. July	6 "	50	Imperial, Limited	15	17
"	"	20	Imperial Ottoman	10	4½
April Oct.	8 "	25	Ionian	all	
"	8 "	25	Ditto, New	10	
May Nov.	2½ "	30	Land Mortgage Bank of India, Limited	5	2
Jan. July	5 p. ct.	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	
Mar. Sep.	"	30	London Bank of Mexico & South America, Lim.	20	
"	6 "	30	Ditto, New	10	
Jun. Dec.	8 "	20	London Chartered of Australia	all	
Feb. Aug.	16 "	50	London and County	20	62½
Jan. July	15 "	50	London Joint Stock	15	47
Feb. Aug.	12½ "	10	London and Provincial, Limited	5	12½
Jun. Dec.	5 "	100	London and River Plate, Limited	40	
"	5 "	25	Ditto, New	10	
Mar. Sep.	8 "	10	London and San Francisco, Limited	all	
Feb. Aug.	8 "	20	London and South Western, Limited	20	
"	14 "	100	London and Westminster	20	63½
April Oct.	"	20	Mercantile Bank of the River Plate, Limited	all	1½
Mar. Sep.	8 "	100	Merchant, Limited	25	
Jan. July	8 "	10	Metropolitan A) B receives no dividend until	all	
"	"	10	Ditto B) 10 per ct. has been paid to A)	all	
"	8 "	10	Ditto New, A	1½	
Feb. Aug.	8 "	100	Midland, Limited	20½	
"	12 "	50	National	30	
Jun. Dec.	12½ "	5	National of Australasia	4	
Feb. Aug.	6/13/4 p. ct.	25	National of Liverpool, Limited	15	
Jan. July	8 "	10	National of New Zealand, Limited	3½	4
Jun. Dec.	20 "	50	National Provincial of England	31	
"	20 "	20	Ditto, ditto	12	
"	20 "	20	Ditto, New, 1874, iss. at £10 prem.	12	
April Oct.	5 "	20	New London and Brazilian, Limited	10	
May Nov.	17½ "	20	New South Wales	all	
Feb. Aug.	4/3/4 "	20	North Eastern, Lim., iss. at 2 pm., already paid	6	
Feb. Aug.	8 "	24	North Western	7½	
April Oct.	10 "	25	Oriental Bank Corporation	all	46½
Jan. July	15 "	100	Provincial of Ireland	25	
"	15 "	10	Ditto, New	all	
May Nov.	12 "	100	Standard of British South Africa, Limited	25	
Jan. July	16 "	100	Ditto ditto New, 8,662 shares issued	all	36
"	16 "	50	Union of Australia	all	
"	"	"	Union of London	16½	

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

NOVEMBER, 1877.

FLUCTUATIONS IN SECURITIES.

THE vast depreciation in the prices of many of the securities in which the investing classes among our population have been accustomed for some years to place either their capital, or their hoarded savings, cannot have escaped the notice of our readers. This depreciation has brought severe loss to many persons, and absolute ruin to some. It has meant a diminution of comfort to many; and to others it has brought the necessity almost as painful of returning to, or continuing hard work, when they thought that a sufficient competency against the wants of old age had been accumulated. Many calculations more or less exact have been made as to the amount of loss sustained by the country. The depreciation of the value of securities in the shape of Turkish, Egyptian and Peruvian bonds alone in the course of a twelvemonth after the Turkish collapse, was estimated by competent authorities as not less than £150,000,000, and the downward course has been continued since that time. How much of this loss fell upon Great Britain and British bondholders can never be known. It is certain, however, that it must have amounted to a very large sum. Again, the present terrible war between Russia and Turkey has produced a very considerable drop in the value of the securities of the former country. Russian Government stock and the guaranteed bonds of Russian railways have been willingly taken as investments by many persons who would never have thought of placing their money in anything approaching a speculative security. For more than fifty years, through times of prosperity, through times of adversity, in days of peace and in days

when engaged in most exhausting wars, the dividends on Russian stock have never, hitherto, ceased. It is no wonder therefore that Russian securities have found a ready acceptance on the English market. The fluctuation in prices of some of the more important Russian stocks have been as follows :—

RUSSIAN STOCKS.

	1874. Highest.	1874. Lowest.	1875. Highest.	1875. Lowest.	1876. Highest.	1876. Lowest.	1877. Sept.
5 per cent., 1822	104	96	106	97	103	68	72½
5 per cent., 1862	103	96	105½	94	101	72	76
5 per cent. Anglo-Dutch, 1864	103	97	104½	95	100½	74	80½
5 per cent. Consolidated, 1870	105	96½	107	96	104	73	79½

This statement shows that a very considerable confidence has been placed in Russian securities—a confidence which has hitherto been justified by the results, and which would probably have continued unshaken had it not been for the outbreak of the present war. A very considerable range in prices will, however, be noticed even in the two earlier years of the period under notice when political causes did not affect the market, and when it was left to what may be called the natural influences.

Russian stock has been taken here as a good typical security of its class. Other stocks could readily have been selected in which far greater fluctuations have taken place, but Russian stock may fairly stand as a good instance of the fluctuations of price in a security which nevertheless stood high in public confidence. We see that in it, apart from the natural and inevitable drop in the securities of any country which is certain to occur the moment it is engaged in war, a considerable fluctuation has nevertheless taken place. Since such fluctuations, therefore, undoubtedly take place even in securities by no means regarded as being of a speculative character, it may be worth while to examine a little more closely into the causes which influence the range of prices. The first of these doubtless is the relation between supply and demand. If the wealth of a country and the money circulating within its boundaries at any time greatly increased without the amount of Stock Exchange securities within it having varied at all, no doubt the prices of those securities would be enhanced. There are certain natural channels into which the savings of a country are likely first to flow. Some people prefer to place their money

in visible and tangible securities and land, houses, further developments of trade and business, receive, and rightly receive, the first overflowings of the wealth of a country. When these requirements are satisfied money flows readily into securities involving a considerable amount of belief, of confidence on the part of the investor, and such are the bonds of a distant and comparatively unknown country. But there are potent influences besides these which have a powerful effect on prices—and these are the amount of credit given, or the fact that credit is restricted. When confidence in a security justifies credit being given to a person desirous of borrowing money on it, the price of the security is likely to rise immediately and considerably. When confidence is withdrawn the price of the security will be likely to fall more rapidly, even, than it rose. The mere expectation that a reaction is at hand and that prices are likely to drop, is certain to affect them very sharply. In times when prices suddenly rise there have usually been a considerable number of speculative purchasers at work, and considerable numbers of bonds are pledged to those who have advanced the money. The speculative purchasers are naturally afraid that the prices of the security they have purchased, and pledged, should sink below the level at which they hope to derive any profit, and rather than run such a risk, the consequences of which might be ruinous, they will prefer to sell the stock they hold immediately.

We have now had brought before us two of the causes which have the most decided influence on the prices of Stock Exchange securities. The one is the standing of the country concerned, the other is the amount of credit given, which is also, in one sense, closely connected with the former branch of the subject. Into others of the causes which operate on prices, and which are connected with speculation and speculators, we have no occasion to enter here. Their operation, though often important for a time and causing occasionally a great fluctuation in price, must be, and is, only temporary in their working. No single speculator, and no combination of speculators, can afford to keep their money invested in one single security for any great length of time. It is essential to a speculator to be able to keep the money with which he works immediately under control; hence he is unwilling to keep a dormant investment in any particular security, however good for any considerable length of time, and his influence on the price, though often important, rarely lasts very long.

But the causes which have been mentioned before as influencing prices, are obviously such as are likely to succeed each other

in a rapidly recurring circle. One good year in any trade or occupation rarely stands singly—it is accompanied by others mainly of the same character with itself. And as with the good years so with those of an opposite character. Several years of the same class usually follow together, and the general course of the business of the country is influenced thus in succession in opposite directions. We have been led to make these observations by reading the volume named below,* in which Mr. Giffen has collected many interesting facts connected with the subject. Mr. Giffen was connected for several years with more than one important financial paper, and this has enabled him to make the observations which he has brought together in this manner. The subject of market fluctuations in price is one which is always interesting to business men, and it has a special interest at the present time at which we are suffering from one of the most protracted and most severe depressions of business of recent times. What are the chances of recovery, and how long will it be before any improvement sets in? These are questions not unfrequently asked, and to which it is not easy to give a complete answer.

There are some signs which may be indicative of the first signs of reviving activity. The recent returns of the Clearing House in London show a slight improvement in amount when compared with those of a twelvemonth back. Part of this increase is possibly more apparent than actual. There has been a considerable diminution in the amount of bills offering for discount, and loans for a short period, for a few days, for a day even, have to a certain extent taken their place. These loans are made and repaid by cheques which pass and repass from one hand to another very much more rapidly and frequently than bills. Transactions of this nature will, it is clear, greatly add to the amount of the Clearing House returns, without there being any real basis of increased business to account for it. On the other hand, this class of transaction has in some degree taken the place of dealings in bills for a considerable time past, while the increase in the Clearing House returns has only occurred during the last few weeks. There is also stated to be a very considerable diminution in the amount of money employed on the market by various banks, and this circumstance would tend to diminish the amount of loan transactions, and in consequence to diminish the amount of the clearing returns. Hence it may be supposed that these influences might be set one against the other, and that the Clearing House returns

* *Stock Exchange Securities: An Essay on the general causes of fluctuations in their price.* By Robert Giffen. London, George Bell and Sons.

indicate on the whole that trade is at least not in a worse state and more depressed than a twelvemonth since. Further than this it is hardly possible to express an opinion. On the whole, the manner in which the internal trade of the country and the condition of the population have been maintained during this long period of depression is a very satisfactory feature. There has been no doubt a great diminution in the sums realised by the produce of our national industry. Our exports of domestic produce and manufactures dropped from £256,257,347 in 1872, to £239,558,121 in 1874, and to £200,639,204 in 1876. This is a very considerable diminution, and it is not likely that the returns of the present year will show any improvement. Great part of this diminution beyond doubt has arisen from a lowering of the price of the goods exported, not from a shrinkage in the quantity. Hence the diminution rather represents decreased profit than decreased industry. And the whole machinery of production is ready and prepared to meet the first summons of an increased demand. Taking the two points together, the manner in which the condition of the population has maintained itself during the period of depressed trade, and the fact that the drop in our exports probably shows rather diminished profits than diminished industry, the inference may fairly be drawn that on the whole the internal trade of the country is sound, and that the moment the depression in our business begins to work off it will be rapidly followed by a time of improvement.

The history of the fluctuation of prices in securities contained in the volume by Mr. Giffen, referred to above, confirms the impression that a period, such as we have passed, and, indeed, are passing through, will probably be followed by a time of higher prices and of better trade, yet, no doubt it is impossible ever to say for certain that such will be the case. The depression may yet last for a considerable time longer, and there seems at present, at all events, very little likelihood that matters will improve before the winter is passed. Political events may have a great influence on trade. Should the present terrible war between Russia and Turkey be brought to a close shortly, we might see a sudden revival of commercial confidence and of commercial activity. This might cause a sudden revival in trade and a consequent demand for money. The struggle between the resolutions of the government and the wishes of the people, which is now unfortunately going on in France, may lead to disturbances in that country. Should such an event unhappily occur, it may influence our trade very much. Such a struggle would paralyse industry in France for a time, and so far would probably diminish our direct business with that country. On the

other hand, political alarm in France would probably send capital over here, and this would be likely to influence our rate of discount and to cause it to drop. This would be a relief to our trade and industry in this country, as the rate of discount charged at this time is considerably higher than what a mercantile demand alone would cause. We mean that it is considerably higher than what the state of trade itself would justify. There is little doubt that the present rate of interest charged by the Bank of England is one which is fixed by the need of protecting their reserve, and not by the mercantile requirements of those who present bills to them for discount. It is a most desirable thing that our reserve of the Bank should be maintained at a high level, and the corollary of this certainly is that it is a desirable thing also that the Bank rate should be raised in time to protect the reserve. There is no doubt some hardship to the ordinary trader in this. For some cause which is scarcely intelligible to him, the rate of discount is governed, not by the mercantile requirements of the day, but by the necessity of protecting the Bank reserve. But to those who remember that the Bank of England holds the ultimate reserve of ready money in the country, the reasons of its action are obvious. Meanwhile as the price of securities has a tendency to drop contemporaneously with a rise in the value of money, another force beside that arising from the natural influence of supply and demand is set in motion to act on the price of securities. These remarks lead us to the consideration how much the value of securities may be influenced by other causes than their intrinsic merit, and the extreme caution which it is desirable should be exercised by any one concerned in any way in dealing with them.

THE IMPERIAL BANK OF GERMANY.

OUR readers will find in this number a translation of the report of the Imperial Bank of Germany for 1876. This was the first year of the working of the Imperial Bank, into which the business of the Prussian Bank was merged on January 1st, 1876. The important feature of this report is the description it gives of the extension of the current accounts (*Giro Verkehr*) of the Bank. Through the facilities given by this part of the business of the bank, transfers of money may be made, free of charge, by the customers of the Bank from any place in the district over which the business of the Imperial Bank extends to any other place in which an office of the bank is open. As the Imperial Bank has branches in no less than 207 towns in

different parts of Germany the importance of the power of remitting money free of charge is very clear. The assistance thus given to business in Germany must be very great, and it is not surprising that the operations of the bank in this way have been continually found to extend, and that the bank has derived great benefit from cultivating this branch of its transactions. No doubt the expense of doing this must have been very great, but a bank is certain, in time, to find that the more assistance it can give to general trade consistently with those rules of prudence which should guide banking transactions in all countries, the greater is the advantage which it will reap itself. A bank is thus enabled to share in, while it promotes the prosperity of the country in which it carries on its operations. The statement has not, as far as we are aware, been previously translated in this country. A copy of the regulations under which the Imperial Bank conducts this part of its business will be found at the end of the report, together with an abstract of the accounts, and a list of all the towns in which there are offices of the bank.

THE CLEARING-HOUSE BUSINESS (GIRTS-GESCHAFT) OF THE IMPERIAL BANK.

THE Hamburg "Börsen-Halle" remarks on the manner in which the clearing business of the Imperial Bank of Germany is conducted. The following notice has lately appeared in several of the Berlin papers :—"The Imperial Bank of Germany has found it necessary to make an alteration in the mode of conducting its clearing-house business. The Imperial Bank, in consequence of its clearing-house business having extended and steadily developed itself day by day, has required its more important customers to leave a credit balance on their accounts equivalent to the dimensions and extent of the business transacted, that it may have at least some small equivalent for the great amount of labour and the extensive apparatus which this branch of business requires; it has been compelled to do this, because the clearing-house business is conducted entirely free of any other charge."

We understand it is not intended to establish such a regulation in our city, and in consequence we might readily have passed over the information given above without comment, were it not that the views developed therein appear to us entirely opposed to the nature of the clearing-house business, as well as to the aims which the Imperial Bank of Germany should keep before it in business in a rational way. The balances to the credit

resulting from the clearing business provide the Bank with an average capital of £7,500,000 on which no interest has to be paid; and it is hence rather too much to desire to assert that not even a "small equivalent" is offered for the expenses and the amount of labour which the clearing business entails.

We are, says the Hamburg "Börsen-Halle," on the contrary of the opinion that the services required by the Bank are amply compensated by the services rendered in return by the owners of the clearing balances taken collectively. Of course it may happen that this may not occur in every individual case, but a careful administration of a bank will start from the point of view, that it can unite the duty of facilitating business with the receiving the profit produced by the clearing business, as far as this profit has its origin in the use of large sums of money on which no interest has to be paid, while rejecting the less lucrative part of this business, the part which is specially created by the operations of the smaller class of customers. At least private banks, which, it is to be presumed, understand what is to their advantage, do not act thus. Besides, we ought not to lose sight of the fact, that since all endeavours to introduce the English cheque system on a larger scale into Germany have proved, generally speaking, a failure, a diligent cultivation of the clearing business, after the analogy of the system of compensation which has been brought to so high a perfection here in Hamburg, would be the best means to procure similar facilities to our German business in money transactions as have been developed in the course of years in England; and for this reason everything should be carefully avoided which could place any obstacle in the way of this very desirable development.

FRENCH BILLS AND FOREIGN EXCHANGES.

AMONG the most puzzling securities to a country banker are the foreign bills which occasionally pass through his hands. They are of various kinds, such as bills drawn in England on abroad; bills drawn from abroad on England; bills drawn from abroad on another foreign city but negotiable in England. To one not accustomed to the laws and customs which regulate the dealing in such securities there will always arise doubts as to the complete validity of the document he holds; he will wonder if the stamp is in due form, and will feel uncertain as to every apparent or non-apparent detail of the transaction in which such a bill

figures. The knowledge of the details of foreign bills is what gives the London bill-broker much of his business, and we do not assert that his business is illegitimate or his commission too easily earned, but it will nevertheless be of some use to state what can be communicated in writing on the subject, with more especial reference to the practice in Paris.

Now, there is in existence a valuable book, by O. Haupt, called *Arbitrages et Parités*, which is published in Paris by Lecuir and Co., and which furnishes much detail not only relating to the Paris market, but to every considerable market for bills in the world.

STAMPS.—Mr. Haupt informs the reader, under the head of London, that a bill of exchange drawn from abroad upon England, and sent hither for acceptance, does not need an English stamp, which only becomes indispensable when the first endorsement has been placed on it; and under the head of Paris we find that stamp duties upon bills drawn or payable in France require stamps at the following rate:—

Up to	100fr.	...	...	fr.0.15c.*
100 to	200	...	...	0.30
200 to	300	...	...	0.45
300 to	400	...	...	0.60
400 to	500	...	...	0.75
500 to	600	...	...	0.90
600 to	700	...	...	1.05
700 to	800	...	...	1.20
800 to	900	...	...	1.35
900 to	1,000	...	...	1.50
1,000 to	2,000	...	...	3.00

rising by fr. 1.50 for each 1,000 francs or fraction of that sum. (The rate is $1\frac{1}{2}$ per thousand.) But for bills drawn and payable abroad, which only circulate in France by means of endorsement, the rate is only $\frac{1}{2}$ per thousand. Cheques drawn and paid in the same place require a stamp of 10c. (say 1d.), but cheques drawn on another place in France 20c. (or 2d.). Orders to pay, of the kind known as *mandats*, and delegations, are now subject to the same stamp duties as bills of exchange; but as the only object of creating such orders was to escape the payment of stamp duties, the use of both *mandats* and delegations is now

*100 centimes=1 franc.

practically obsolete. Invoices, accounts, and other documents bearing a receipt require a stamp of 10c. (1d.), the cost of the stamp falling on the debtor. It may also be mentioned that, in the case of bills upon Germany, Italy, Belgium, Spain, Portugal, Switzerland, Amsterdam, Petersburg and Vienna, the seller of the bill in France bears the cost of the stamp. Houses of good standing in London state that they never receive French bills not bearing the French stamp. The holder of such a bill would be liable to pay the stamp duty, and a fine representing the twentieth part of the sum claimed, if he wanted to recover the amount of such a bill in a French court.

USANCE, INTEREST, BROKERAGE.—In Paris, all foreign bills are quoted as having three months to run, with the exceptions of drafts upon London, Belgium, Switzerland, and Italy. The calculation of accruing interest is, on the other than these places, always at 4 per cent. and the variations resulting from the fixed rate are allowed for in the quotations themselves. The actual rate is reckoned on bills on London, Belgium, Switzerland and Italy. In each case there is a double quotation, *i.e.*, for long paper and for short. The broker's charge is one-eighth per cent., payable by the seller of the bill only. This charge appears high in comparison with those usual in other bourses; but in reality the broker cuts his charge extremely fine, inasmuch as he sacrifices the larger part of this one-eighth per cent. in order to obtain a better price for his principal; and in ordinary cases the brokerage becomes reduced to one-half per mille.

In France the months are taken to include the exact number of days which compose them, and the year is taken at 360 days, which is the usual method everywhere except in London, where the year is taken at 365 days. No days of grace are now recognised in Paris, and bills falling due on a Sunday or holiday are payable the day before. The Statute holidays are: Ascension Day, Assumption, All Saints, Christmas Day, and New Year's Day. The ordinary usance of French bills is thirty days, which run from the morrow of the creation of the bill.

ACCEPTANCE, PROTEST, &c.—Bills must be accepted in France within twenty-four hours of being deposited. Acceptance is not obligatory in France except in the case of bills drawn at sight. Bills of exchange should, in case of dishonour, be protested the day after maturity, or if that be a Sunday or holiday, then the day after; but they may be legally returned at any date within fifteen days after the protest. The cost of a protest is 6 francs; in each "case of need" the fee is fr. 4.70.

FRENCH BILLS ON LONDON.—A short bill on London would be quoted at the same figure here as in Paris, if there were not

certain charges to be added or saved, as the particular transaction in view might allow. These charges generally run as follows:—

1	per mille brokerage in London ...	2.5	centimes.
$\frac{1}{8}$	per cent. do. in Paris... ..	3.2	„
3	days' grace in London	about 1.0	„
$1\frac{1}{2}$	per mille stamp in Paris	3.7	„
$\frac{1}{2}$	„ „ in London	1.2	„

Together... .. 11.6 „

But stamp charges can be to some extent evaded, the more so as, both at London and Paris, cheques are used which are not subject to so high a duty as bills of exchange.

STAMP DUTIES IN OTHER CONTINENTAL CITIES.—The rate of stamp duty in Germany is $\frac{1}{2}$ per mille on bills of exchange. On an amount not exceeding 150 marks—(the mark is equal to about 1s., and 100 pfennigs go to the mark)—the stamp costs 10 pf. (say $1\frac{1}{2}$ d.); on 150 to 300 marks, 15 pf.; on 300 to 600 marks, 30 pf.; on 600 to 900 marks, 45 pf.; and so on. The following are exempt: Bills drawn and payable in a foreign country; bills drawn in Germany on abroad at not more than ten days, provided such bills are for remittance abroad direct; orders and letters of credit to the order of him who receives the money. But these securities require to be duly stamped as soon as they become endorsed on a German market. The stamp on protesting is $1\frac{1}{2}$ marks, if the amount of the bill exceeds 150 marks.

At Amsterdam the rate of stamp duty on bills payable in Holland is $\frac{1}{70}$ per mille, being 21 cts. on an amount not exceeding 300 fl.—(a florin is about 1s. 8d.); $34\frac{1}{2}$ cts. on 300 to 500 fl.; 69 cts. on 500 to 1,000, and so on. On bills created in Holland but payable abroad the rate is half the above, namely 21 cts. up to 600 fl.; $34\frac{1}{2}$ cts. on 600 to 1,000 fl., and so on.

At Brussels the rate of stamp duty is only a third of that at Paris, being $\frac{1}{3}$ per mille on bills created or payable in Belgium. Up to 200 fr. it is 10 c.; from 200 to 500 fr., 25 c.; from 500 to 1,000 fr., 50 c., &c. On bills drawn and payable abroad the rate is still less, being: Up to 200 fr., 10 c.; from 200 to 500 fr., 15 c.; from 500 to 1,000 fr., 25 c., and so on.

Banking and Commercial Law.

Re SPOTTEN AND CO. ; *ex parte* THE PROVINCIAL BANK OF IRELAND.

In order to establish the existence of a general lien on the ground of usage or custom of a trade, it must be shown that it was so universally acquiesced in that everybody in the trade knew of its existence, or could have ascertained it on enquiry.

Linen dyers and finishers in the North of Ireland have no general lien, by the usage or custom of their trade, enabling them to detain fabrics, delivered to them to be dyed or finished, for a general balance of accounts arising from work done in course of their employment.

The circumstances are sufficiently explained in the judgment.

MILLER, J.—Before stating the matters directly in controversy between the assignees of the bankrupt, as put forward in the charge and the discharge filed thereto by the Provincial Bank of Ireland in this matter, a few facts about which there is no dispute may be thus briefly stated :—Shortly before the 7th December, 1875, the above-named firm of Spotten and Co. stopped payment, and, on that 7th of December, the members of that firm presented their petition for arrangement to this Court. Previous to the time of the presentation of that petition by Spotten and Co., pieces of linen belonging to that firm of Spotten and Co., to the number of 1,397 only (as I am satisfied by the evidence offered by the Provincial Bank), had been sent to Daniel Kirk, who had carried on the business of dyer and finisher at Ballymena, and had acted and was then acting exclusively in that capacity of dyer and finisher for the firm of Spotten and Co. alone, at a fixed salary, along with certain rates agreed upon between them. No portion of those 1,397 pieces had been finished out by Daniel Kirk, as such dyer and finisher, at the time of the failure of William Spotten and Co., but all the pieces were afterwards dyed and finished. It could not be disputed, and it has not been disputed, that Daniel Kirk, as such dyer and finisher, would have been entitled to a particular lien upon those specific 1,397 pieces of linen against the firm of Spotten and Co., or the assignees as representing them, for all his legitimate charges, according to his agreement with Spotten and Co., for the dyeing and finishing those specific 1,397 pieces of linen, and that Daniel Kirk might have retained the possession of such pieces until that his particular lien had been discharged; and if there had been nothing else before the Court the assignees, as now representing William Spotten and Co., would be entitled to recover possession of those specific 1,397 pieces of linen upon the payment by them to Daniel Kirk of such discharge for dyeing and finishing those specific 1,397 pieces alone. But, at that time of the failure of William Spotten and Co., the Provincial Bank of Ireland were the holders, as en-

dorsees from Daniel Kirk, of bills of exchange—two being the drafts of Daniel Kirk, accepted by William Spotten and Co., for £800 and £650 each, in respect of previous past accounts due by Spotten and Co. to Daniel Kirk for dyeing and finishing other goods of William Spotten and Co., which had been previously delivered up and handed over to William Spotten and Co., and four others, being likewise the drafts of Daniel Kirk upon, and accepted by William Spotten and Co., for the respective sums of £1,000 each, for the accommodation of William Spotten and Co. alone. There is not to be found in this case any evidence whatever of any express agreement or authority on the part of William Spotten and Co. that Daniel Kirk should have any lien upon such 1,397 pieces of linen other than I have stated, or that he, Daniel Kirk, should make any other disposition of such pieces of linen than by restoring them, when dyed and finished, to William Spotten and Co. upon the payment to him, Daniel Kirk, of his charges for dyeing and finishing those specific 1,397 pieces. But it appears that Daniel Kirk, finding himself liable as a drawer and endorser on such the six several acceptances of William Spotten and Co. above stated, after the failure of William Spotten and Co., for the purpose of providing funds for the same, did of his own authority hand over to the Provincial Bank the 1,397 pieces of linen above mentioned in order that the same might be sold, and the same were accordingly sold by the order of the Provincial Bank in the month of March, 1876, in a proper manner and at their fair value; but the Provincial Bank retained in their possession the proceeds of the sale of such 1,397 pieces of linen, and insist on retaining, not alone such portion of such proceeds as Daniel Kirk would have been entitled to against Spotten and Co. for dyeing and finishing the specific 1,397 pieces of linen, but, also, the entire remaining proceeds thereof as against and as being insufficient to meet, not alone the acceptances of Wm. Spotten and Co. for £800 and £650 which had been passed as already stated for previous accounts for bleaching and dyeing other goods of Wm. Spotten and Co., previously handed over and delivered up to Wm. Spotten and Co., but, also, the four other acceptances of Wm. Spotten and Co. for £1,000 each already referred to as being for the accommodation of Wm. Spotten and Co. alone.

The grounds upon which the Provincial Bank by their discharge insist that they are entitled to retain the entire proceeds of the sales of the 1,397 pieces of linen have been there very clearly and distinctly stated thus:—"That Daniel Kirk, pursuant to a general usage and course of trade in the North, had full power to deal with said 1,397 pieces of linen. And that there was, on the 7th December, 1875, due and owing by Wm. Spotten and Co. to Daniel Kirk, for dyeing and finishing of goods of the bankrupt's, sums exceeding the value of said 1,397 pieces of linen, and that Spotten and Co. were bound to have indemnified and saved harmless Daniel

Kirk from any claim on foot of the said several drafts of Daniel Kirk on Wm. Spotten and Co." I do not propose to follow counsel into a general dissertation on the law of lien, yet it is necessary here to state thus much in reference to the claim for a "general lien," as thus put forward by the Provincial Bank, beyond the particular lien which has not been controverted:—That general liens, although recognised, are certainly not favoured, and it is, therefore, generally necessary for any party seeking to establish a 'general lien' to show some express contract for that purpose between the parties, or a contract necessarily implied from their course of dealing, or a custom of trade, on the faith of which it must be supposed the parties dealt with each other. There is no evidence, as has been stated, of any express contract between Daniel Kirk and Wm. Spotten for conferring upon Daniel Kirk any such general lien as contended for, or that there was anything in the course of dealing between the parties from which any such contract for that purpose must be necessarily implied, and, on the contrary, Daniel Kirk, when examined, stated that never up to the present occasion had he retained any goods sent to him for dyeing and finishing in assertion of any such general lien, and, therefore, such claim for a general lien of Daniel Kirk, as put forward by the Provincial Bank, must rest, if at all, upon the usage or custom of trade.

This brings me to the question whether or not any sufficient evidence has been supplied to establish any such usage or custom, on the assumption of my being of opinion that such custom was a reasonable custom (not inconsistent with law) as would sustain the claim as put forward by the Provincial Bank in that respect. The evidence necessary to sustain such an usage or custom of general lien as claimed, must go the length of establishing that it was so universally acquiesced in that everybody in the trade knew it, or that it could have been ascertained if the party had taken the pains to inquire. Before referring to the evidence offered by the Provincial Bank for the purpose of establishing the custom of general lien in the trade carried on by Daniel Kirk, as contended for by their discharge, it must be observed that Daniel Kirk, on whose alleged right of general lien the claim of the Provincial Bank must rest (if at all), was examined fairly and with minuteness as to the existence of any such usage or custom of general lien as contended for, and, after describing the very many years for which he had been engaged in the particular trade in respect of which the general lien is claimed as being founded on the custom of such trade, he stated in his answer to question 226—"That of his own personal knowledge he never knew goods detained for accommodation acceptances without a special bargain." 227. "That he never knew anything of such a kind as selling such goods for bills that were running due for finishing." 228. "That he never knew of his own personal knowledge of a bleacher detaining goods for charges that extended over a whole series or lot of goods." And, when re-

examined by counsel for the Bank, he stated in answer to question 232—"That there were numbers of other dyers and bleachers in his neighbourhood." 233. "That he never knew of his own knowledge of any of them detaining goods." If the evidence of Daniel Kirk, which I have quoted as the conclusion of his *viva voce* examination, following up a close previous examination, stood alone, there would be an end of any claim of the Provincial Bank as founded on any alleged general lien as existing in Daniel Kirk, purporting to be sustained by any alleged usage or custom of that trade as carried on by Daniel Kirk. In connexion with such, the *viva voce* examination of Daniel Kirk thus given, I will here (as the charge has been filed by the assignees of Wm. Spotten & Co.) for convenience, refer to the affidavit of Wm. Eccles, which was filed in support of that charge, in which he states—"That he had been for 17 years connected with the bleaching and finishing business, and that he considered himself thoroughly acquainted with the usages and customs of the trade, and that there was not to his knowledge any such general custom of the trade as was alleged in the second paragraph of the discharge." On the other hand, several affidavits have been filed on the part of the Provincial Bank in support of their discharge; and the first affidavit to which I will refer is the affidavit of the same Daniel Kirk filed on the 12th of April for that purpose, in reference to which affidavit he had been thus subsequently cross-examined, and made the depositions which I have already quoted, so lately as the 23rd of May, 1877; and, notwithstanding the very explicit declarations thus made in such his latter depositions, he had in the 2nd paragraph of his previous affidavit stated as follows:—"There is a well-known, defined, general, reasonable usage, or custom of trade, in the North of Ireland, acted on and prevailing between merchants and manufacturers of linen goods, and the bleachers, dyers, and finishers of the same goods employed by merchants and manufacturers, regulating the transactions between employed and employers. Bleachers, dyers, and finishers employed by merchants and manufacturers in the linen trade, are entitled to retain all fabric in their hands, the property of the merchants and manufacturers of linen employing them, until not only the charges of dyeing, bleaching, and finishing each particular piece is satisfied, but until all sums of money due by the merchants or manufacturers to the bleacher, dyer, or finisher for the bleaching, dyeing, and finishing are fully paid and satisfied. If the merchant or manufacturer becomes incapable by bankruptcy, or other cause, to pay the balance justly due to the dyer, bleacher, and finisher, the dyer, bleacher, or finisher, according to the usage, custom, or course of trade, is entitled to sell in good faith the fabric in his hands to realise the amount due for bleaching, dyeing, and finishing, whether such amount was or was not represented by bills between employer and employed." I have quoted that paragraph because paragraphs similar in terms are introduced into each of

the several affidavits filed by the Provincial Bank in support of such alleged custom, and also because objection has been taken, on the part of the assignees, to the admissibility of such a paragraph as being evidence against them, on the ground that he in that paragraph deposes to what this Court is called upon to decide, and there is no doubt that to some extent that paragraph is open to the objection as urged—as, for instance, where he is therein made to depose to the alleged custom being a “*reasonable*” custom, which is purely a question of law; however much of the depositions would be admissible as to the expression of opinion by a skilled witness in reference to matters with which he is peculiarly conversant, and the objection on the part of the assignees would in that respect be more directly pointed at the weight of such evidence; and it is only necessary to observe, that whatever weight might have been attached to the deposition of Daniel Kirk, as contained in his affidavit in support of any such alleged usage or custom, such evidence has been rendered worthless by his subsequent depositions in his cross-examination and re-examination as going to sustain any such alleged usage or custom. The next affidavit to which I will refer is that of Foster Connor, also filed on the 12th of April, in which he describes himself as having carried on the business of a bleacher and finisher for several years, and in it he deposes in terms similar to those which I have quoted from the affidavit of Daniel Kirk as regards such alleged custom or usage. When Connor was, pursuant to notice, likewise cross-examined, he stated in answer to question 11—“That as a manufacturer he had never had any of his own linen goods detained for bleaching charges.” 15. “Only retained goods as a bleacher in one instance.” 19. “At the time of the stoppage in the present case, his account not being paid, he retained the goods until the account was paid.” 20. “As a matter of precaution he kept the goods. There was no question raised.” 21. “He demanded his account, and they paid him.” 21. “He did not think that he had written to say that he would hold a lien on those goods until they paid.” 25. “During his bleaching experience of 12 years, he never detained goods for bleaching charges except in the one instance.” 33. “With regard to his own transactions, he had a letter which he required everyone to sign when he gave advances on goods, and that letter empowered him to sell the goods if the bills were not paid at maturity, and if any other debts are owing that letter covers all.” 43. “He could not go beyond his own experience and could not give any direct instance in which he ever knew a bleacher detain a lot of goods for bleaching charges, advances, accommodation transactions, and other moneys due, without having any such letter as he described.” It must be at once apparent from these depositions, that when Connor, under cross-examination as to the terms of his general deposition in his affidavit, can only refer to one single instance of detention by himself of such a character as in this present case now pending in this

Court, in which not only was no lien claimed, but there was no dispute, and the account was paid on being sent in, and further, when he deposes to the course of dealing observed by himself in obtaining letters from parties which goes far to disprove the existence of such custom, the deposition of Connor, as contained in the second paragraph of his affidavit, is equally open to being termed as worthless for the purpose of establishing any such usage or custom as contended for on the part of the Provincial Bank; and such a deposition by Daniel Kirk and Foster Connor, with their limited knowledge as to particular instances as contained in that second paragraph of their affidavit, can only be accounted for by supposing that they were ignorant of what was necessary to sustain or prove such a custom. I shall not go through the other affidavits of the other parties who have appeared for cross-examination, or their respective depositions when under cross-examination, with the exception of Geo. Boyle Hanna, but shall dismiss all such with this general observation, that, although each of such affidavits severally contained paragraphs similar in terms to that paragraph which I have quoted from the affidavit of Daniel Kirk, not one of such parties, except Hanna, upon their *vidæ vocæ* examination are, or pretend to be able to depose to a single instance within their own knowledge of detention of goods by any dyer and finisher, under any general lien as contended for; but Hanna, when cross-examined, stated in answer to question 112—“In his father’s time, about 20 years ago, he solely engaged in the transaction referred to for his father.” 114. “When he had signed two or three of the bills, I said to the man, ‘I should hardly do this.’ ‘Why?’ said he. ‘Well,’ said I, ‘it does not look well signing too many bills.’ ‘You are all right,’ said he, ‘while you hold my goods.’ ‘I know that,’ said I, ‘if you have enough of goods to cover it.’ He said that he always kept up the goods, and I signed the bill. There was no other special arrangement.” 115. “I took the second occasion first. On the first occasion I delivered a lot of goods and was paid for none of them for finishing. When I came to the last lot the parties would pay me for what I held on hand. I said ‘No; I will hold for the finishing.’ They said ‘You have no right to hold for anything except what is finished.’ I said ‘You can try;’ so I hold for three or four months, and at last they came and quietly paid me the money. They said ‘You have no right to ask for finishing previous lots,’ but before they went to law about it they came and paid me every halfpenny.” In the one instance thus deposed to by Hanna, in such his *vidæ vocæ* examination, when cross-examined, there had been a special contract, although by parol, for the general lien to which he deposes; and in the second instance the right to such general lien as claimed by Hanna was disputed by the owner of the goods, and even at the last the payment was made under protest against any such right as claimed, in preference to being involved in litigation which had been threatened; and neither of the instances furnished any better grounds for the support of

such a custom than is to be found in the affidavits or depositions of the other witnesses. Such is in substance the entire evidence offered by the Provincial Bank to sustain, by an alleged usage or custom of the trade of dyers and finishers, the claim of Daniel Kirk to a "general lien" on the goods of Spotten & Co., held by him at the time of their failure for the amount of the acceptances of Spotten & Co. to the drafts of Daniel Kirk, not alone for previous dyeing accounts, but also for the accommodation of Spotten & Co., as already stated.

Counsel for the Provincial Bank have referred to the case of *Savill v. Barchard*, in which the custom there of the trade of dyers, that they should have a lien upon goods sent to them to dye for the balance of a general account, was affirmed and established: but it was a case at *Nisi Prius*, and Lord Kenyon there told the jury that there was in that case strong evidence to prove the general course and practice of the particular trade, and to establish a lien founded on them; and Cross, on *Lien*, in referring at page 336 to that very case, states that the case went to the jury upon the strongest evidence of the usages of the trade in the particular place in question in favour of such lien; and notwithstanding, he at the same page states—"Dyers have in general no lien beyond that which is vested in them by the general rule of law, and have, therefore, no power of detention of any article delivered to them to be dyed for a general balance of accounts arising from work done in the course of the trade. Their right only extends to the particular price of dyeing the articles in their possession, unless there be an express agreement authorising a further claim." And in support of his statement he refers to the case of *Close and another (assignees of Redell) v. Waterhouse*, in which the jury negatived any such usage at the particular place referred to in that case, and the Court refused to disturb that finding. Counsel for the Provincial Bank have also referred to three cases relating to the same estate, for the purpose of sustaining the evidence as offered by the general deposition contained in the second paragraph of the respective affidavits already referred to.

The doctrine of general lien is thus described in *Cross on Lien*, page 15 :—A general lien empowering detention of the goods, not only for demands arising out of the article detained, but for a general balance of accounts, is an encroachment upon the common law, and is regarded by the Courts with an eye of extreme jealousy. To establish a general lien, on the ground of usage, strong and satisfactory evidence must be adduced of ancient, numerous, and important instances in which "the right has been exercised when the usage is general, and prevails to such an extent that all parties contracting may be supposed conversant of it; they will of necessity be bound by the custom for the usage of trade amounts to evidence of contract, and where such usage is general, and has been so long established as to afford a presumption of its

being commonly known, it is only fair to conclude that the parties contracted with reference to it. The uniformity and frequency of the instances of such usage are facts upon which a jury may be called upon to infer a generally acknowledged and recognised mode of dealing; on the other hand recent or particular instances of detention will not warrant the conclusion of general usage." I adopt that description of general lien and its incidents. In the end, after a further reference to cases bearing on the points in issue, the learned Judge decided that no general lien existed, and his judgment was accordingly against the claim of the Bank.

NEW YORK COURT OF APPEALS.

CHAPMAN v. ROSE.

If a person negligently signs a negotiable instrument, relying upon the representations of another as to its contents, whereby he is fraudulently induced to sign a different instrument from the one he had engaged to sign, he cannot resist payment of the same when in the hands of a bona fide holder for value.

This was an action on a promissory note, brought by Chapman against Rose, and tried at the Circuit Court at Newburg, in November, 1871, before a jury, Hon. Joseph F. Barnard presiding. On the trial it appeared that on the first day of February, 1871, a person, representing himself as Alfred E. Miller, came to the defendant, a farmer, at his barn in the town of Warwick, and asked him to take an agency for the sale of a patent hay-fork, which defendant finally consented to do. Miller then requested him to sign an agreement creating and accepting the agency, and also a printed order for one hay-fork, which order was attached at the bottom. He also requested defendant to execute a duplicate of the agreement and order, which he did; and Miller took the one and defendant kept the other. It was understood that the defendant was not to pay for any forks until he had actually sold them. This was all that passed between them. About seven months afterwards the defendant was notified by the plaintiff in this suit to pay a promissory note, purporting to be made by the defendant, February 1, 1871, for \$270, payable to Alfred E. Miller or bearer, seven months after date, and transferred to the plaintiff before maturity. Defendant, although conceding that the signature looked like his, denied that he ever made the note, and the plaintiff brought this suit on it. The charge of the trial court, which is the ground assigned as error, is stated in the opinion. The verdict and judgment were for the defendant, and the plaintiff appealed. The judgment was affirmed at General Term, and the plaintiff again appealed.

The judgment of the Court was delivered as follows, by

JOHNSON, J.—The judge charged the jury that if the paper sued upon was never delivered as a note, the plaintiff must fail in the

action, and that even if it was delivered and the plaintiff neglected to make proper inquiry as to its origin, he was a *bona fide* holder and could not recover.

The exception to the charge was general, but if both propositions were erroneous the error can be reached and corrected, especially as the attention of the judge appears to have been called by request to charge to the precise grounds on which the charge is now claimed to be erroneous. The latter branch of the charge presents the question of notice to put a party on inquiry as affecting his right to be regarded as a *bona fide* holder. It is now, however, the settled law that mere negligence, however gross, is not sufficient to deprive a party of the character of a *bona fide* holder. There must be proof of bad faith. That alone will deprive him of that character. This part of the charge, therefore, cannot be sustained. If, then, the appellant can maintain the position that the other branch of the charge is also erroneous, he will be entitled to a reversal of the judgment, notwithstanding the generality of the exception.

The evidence tended very strongly to show that the signature of the defendant to the note sued upon was obtained from him through a very gross and fraudulent imposition perpetrated upon him by one Miller; that when he signed it he supposed he was signing a paper of a very different character, and not an engagement to pay money absolutely. He had just before signed an order for the delivery to himself of a hay-fork and two grappling pulleys, amounting together in price to nine dollars, for which he engaged to pay, and this paper now in suit was presented to him as a duplicate of that order, and was signed as such without examination or reading it, upon the statement of Miller, with whom he was dealing, that such was its character. There does not appear to have been any physical obstacle to the defendant's reading the paper before he signed it. He understood that he was signing a paper by which he was about to incur an obligation of some sort, and he abstained from reading it. He had the power to know with certainty the exact obligation he was assuming, and chose to trust the integrity of the person with whom he was dealing instead of exercising his own power to protect himself. It turns out that he signed a promissory note, and that it is now in the hands of a holder in good faith for value. The question which arises on the branch of the charge now under consideration is whether it is enough as against a *bona fide* holder to show that he did not know or suppose that he was signing a note, unless it also appears that he was guilty of no laches or negligence in signing the instrument. To that inquiry the attention of the judge at the trial was distinctly called, and the instruction which he gave and which was accepted to did not submit, but excluded, the consideration of it from the jury. It is quite plain that if the law is that no such inquiry is admissible, a serious blow will have fallen upon the negotiability of paper—it will be a

premium offered to negligence. To insure irresponsibility, only the utmost carelessness, coupled with a little friendly fraud, will be essential. Paper in abundance will be found afloat, the makers of which will have no idea that they were signing notes, and will have trusted readily to the assurance of whoever procured it that it created no obligation. To avoid such evils it is necessary at least to hold firmly to the doctrine that he who by his carelessness or undue confidence has enabled another to obtain the money of an innocent person shall answer the loss. If it be objected that there must be a duty of care in order to found an allegation of negligence upon the neglect of it, it must be answered that every man is bound to know that he may be deceived in respect to the contents of a paper which he signs without reading. When he signs an obligation without ascertaining its character and extent, which he has the means to do, upon the representation of another, he puts confidence in that person, and if injury ensues to an innocent third person by reason of that confidence, his act is the means of the injury and he ought to answer to it.

In *Foster v. MacKinnon*, the action was upon an endorsement of a bill of exchange, and the evidence was that the defendant endorsed its believing it to be a guarantee, that being represented to him as its nature by a person in whom he put confidence.

The judge charged the jury that if the defendant signed it not knowing it to be a bill, and believing it to be a guarantee, in consequence of a fraudulent representation as to its character, and if he was not guilty of any negligence or laches in signing it, he was not bound. The jury found for the defendant. Upon a review of the decision, and after a very full and able discussion of the questions involved, the court held the direction at the trial to have been right. But a new trial was granted upon the ground that they were not satisfied with the finding of the jury on the question of fact, as I understand it, in respect to the question of negligence.

In *Whitney v. Snyder*, evidence had been refused that the defendant was unable to read, and that the note which he had in fact signed was represented to him to be an instrument of a different character and was signed by him under such a belief. The court held that the evidence ought to have been received, principally upon the grounds and authority of the case last cited, approving both branches of the rule as stated in that case, and adding that the case then in judgment was stronger for the defendant on the question of negligence than was *Foster v. MacKinnon*. This was clearly so, for in *Whitney v. Snyder* it appeared that the defendant could not read, and he was, therefore, compelled to put confidence in some one as to the contents of any paper which he might be called upon to sign. Indeed, the same exception in respect to negligence is recognised as a necessary element in the decision at General Term in this case. The difficulty is that at the trial the judge rejected that qualification of the rule, and held that if the party

did not intend to make a promissory note he could not be held bound even in favour of a *bonâ fide* holder for value. The principle involved is recognised and in substance decided in *Putnam v. Sullivan*. In that case the defendant had left with a clerk some signatures on blank pieces of paper, intended to be used as notes or endorsements, according to specific instructions. The clerk was induced by fraud to part with one of these blank signatures, and it was filled up as a note, leaving the signature to appear as that of a payee and endorsee. The action was by a holder in good faith, and the court giving judgment, by Parsons, C.J., said:—"The counsel make a distinction between the cases where the endorsee, through fraudulent pretences, has been induced to endorse the note he is called upon to pay, and where he never intended to endorse a note of that description, but a different note and for a different purpose. Perhaps there may be cases in which this distinction ought to prevail; as if a Chinaman had a note falsely and fraudulently read to him, and he endorsed it, supposing it to be the note read to him. But we are satisfied that an endorser cannot avail himself of this distinction, but in cases where he is not chargeable with any laches or neglect, or misplaced confidence in others. Here one or two innocent parties must suffer. The loss has been occasioned by the misplaced confidence of the endorsers in a clerk too young or too inexperienced to guard against the act of the promissors." Upon those grounds the endorsers were held liable.

In *Douglass v. Matting* the judge says:—"It is better that the defendant and others who so carelessly affix their names to papers, the contents of which are unknown to them, should suffer from the fraud their recklessness invites, than that the character of commercial paper should be impaired, and the business of the country thus interfered with and unsettled."

In all these cases the real ground of decision is not that the party meant to make a promissory note, but that, meaning to make an obligation in writing, and which was put in writing, that it might of itself import both the fact and the form and the measure of the obligation, he trusted another to fix that form and measure without exercising that supervision which was in his power, and by which perfect protection was possible. In such cases the rule is, that he is bound by the act of him who has been trusted, in favour of a holder in good faith.

The judgment must be reversed and a new trial granted, costs to abide the event.

SUPREME COURT OF MISSOURI.

SHIRTS *v.* OVERJOHN.

Where it appears that the party sought to be charged intended to bind himself by some obligation in writing, and voluntarily signed his name to what he supposed to be the obligation he intended to execute, having

full and unrestricted means of ascertaining for himself the true character of such instrument before signing it, but neglecting to avail himself of such means of information, and relying on the representations of another as to the contents of the instrument, signed and delivered a negotiable promissory note, instead of the instrument he intended to sign, he cannot be heard to impeach its validity in the hands of a *bonâ fide* holder.

It will be presumed, in the absence of proof to the contrary, that the holder of negotiable paper received it for value, before maturity, and in the regular course of business; but it is error to instruct the jury that such presumptions are admitted facts.

O., supposing he was signing a receipt for ploughs, to be left with him on sale, signed and delivered a negotiable promissory note. The ploughs were never delivered. Learning afterwards the true character of the instrument, and that the payee was endeavouring to negotiate it, O. caused a notice to be published, warning the public against purchasing the note. Thereupon, E., the payee, complained to O. that he was doing him an injustice, saying that he had sold two of the ploughs and would endorse a credit of fifty dollars on the note. To this proposition O. assented, and the endorsement was made and O. signed the memorandum: Held, that as a matter of law, the circumstances under which the note was signed constituted no defence to an action on it by a *bonâ fide* holder; and that the act of O. in assenting to and signing the endorsement on the note, after acquiring full notice of its true character, amounted to a ratification of the instrument.

HOUGH, J., delivered the opinion of the court:—

This was an action instituted by Shirts, before a justice of the peace, against the defendant, Overjohn, as maker of a promissory note for \$200, dated October 19, 1872, and payable twelve months after date, to the order of T. England. There was a judgment for the plaintiff before the justice, and defendant appealed to the Linn County Common Pleas Court. At the trial in the Common Pleas Court, the note was read in evidence without objection, together with an endorsement and guarantee in blank by T. England, and also the following endorsement: "Credit fifty dollars on Oct. 28, 1872. H. Overjohn."

The defendant, Overjohn, testified as follows:—"At the time I made the note sued on, the payee in said note came to me, and wanted me to act as agent for the sale of his ploughs. England, the payee, was to let me have three ploughs, but only left one, which was left as a sample to show to farmers, not to sell. At the time I signed the note sued on, I supposed I was giving a receipt for the ploughs. I never received the ploughs he promised to send nor anything else. There was no consideration of any kind for the note, which I thought and understood to be a receipt only."

On cross-examination the defendant said that England wrote the note, and he signed it. He afterwards learned that England was trying to sell the note, and he published a notice in the *Brookfield*

Gazette, warning the public not to purchase it. The day after the advertisement, England called on him feeling badly about the advertisement, and said that he had sold two of the ploughs; and that he would give him, defendant, credit on the note for fifty dollars.

England then wrote the credit of fifty dollars on the back of the note and defendant signed it. The editor of the *Gazette* testified that after a single insertion, the defendant withdrew the advertisement, and according to his best impression, said to him at the time it was all right.

Plaintiff then offered his own and other testimony to show that he was a *bona fide* holder for value, and before maturity of the note sued on, which testimony was objected to by the defendant, and excluded by the court, and plaintiff excepted.

The plaintiff asked the following instructions:

1. The jury are instructed that it stands admitted that the plaintiff in this suit purchased said note before it came due for a valuable consideration, *and without notice of any fraud between the defendant and said England.*

2. The jury are instructed that fraud cannot be presumed, but that it must be proven, and although the jury may believe from the evidence that the defendant did not know at the time he signed said note that it was a note, yet if they believed from the evidence that the defendant placed his name on the back of the note, after he was aware that it was a note, and recognised it as a note, then they will find for the plaintiff.

3. It stands admitted that defendant signed his name on the back of the note in controversy after he found out that it was a note.

The court refused to give the first instruction as asked, but gave all of it except that portion in italics, and gave the second instruction and refused the third; to which action of the court in refusing to give the third and the latter portion of the first instruction, plaintiff at the time excepted.

At the instance of the defendant, the court gave the following instruction: "That if the jury believe from the evidence, that Overjohn when he signed the note sued on, did not fully understand its character, but thought and understood it to be a receipt for ploughs, for the sale of which he was to act as agent and to account to England for them, they are bound to find for defendant." To the giving of which instruction plaintiff at the time excepted.

There was a verdict and judgment for the defendant, and plaintiff brings the case here by writ of error.

There were no pleadings in this case, and as there was no testimony of the defendant as to the purchase by plaintiff of the note sued on before maturity for value, and without any notice of any fraud on the part of England, the court committed no error in refusing the first instruction as asked by the plaintiff. The *prima facie* presumption of law, that every holder of any negotiable paper is the owner of it; that he took it for value, before dishonour and in

the regular course of business, would not have warranted the court in instructing the jury that such presumptions were admitted facts.

The third instruction asked by plaintiff should have been given. It clearly appears from the testimony of the defendant, that after he ascertained that he had signed a note to England, instead of a receipt, and England proposed to allow a credit of fifty dollars upon it, that such credit was endorsed upon the note, and was accepted and signed by defendant. This testimony of the defendant constituted an admission as fully as if it had been embodied in an answer. The instruction given by the court on behalf of the defendant is seriously objectionable. It directed the jury to find for the defendant, notwithstanding the fact that he freely acquiesced in and ratified the execution of the note, with full knowledge of his mistake and before England had negotiated it; besides it is directly in conflict with the second instruction given for the plaintiff. But another, and, as we think, a very grave error was committed in directing the jury in this instruction to find for the defendant, if they believe from the evidence that he did not fully understand the character of the instrument signed by him, and thought it to be a receipt and not a note, omitting all reference to the testimony of the defendant himself as to the circumstances under which he signed the note, which was all the testimony there was on that subject, and from which it plainly appears that the mistake of signing a note instead of a receipt, resulted solely from his own negligence and carelessness, without any constraint, artifice or fraud whatever on the part of England. Indeed, on the defendant's own testimony, the plaintiff was entitled to a verdict as a matter of law. The facts testified to by him constituted no defence to the plaintiff's action.

It would be exceedingly difficult to lay down with accuracy a general rule which would be applicable to all cases of this character which might arise; but the result of the best considered cases on this subject may be generally stated to be, that where it appears that the party sought to be charged, intended to bind himself by some obligation in writing, and voluntarily signed his name to what he supposed to be the obligation he intended to execute, having full and unrestricted means of ascertaining for himself the true character of such instrument before signing the same, but by his failure to inform himself of its contents, or by relying upon the representations of another, as to the contents of the instrument presented for his signature, signed and delivered a negotiable note in lieu of the instrument intended to be signed, he cannot be heard to impeach its validity in the hands of a *bonâ fide* holder.

In the case of *Foster v. Mackinnon*, Byles, J., delivering the opinion of the court, affirmed the charge of the chief justice at the assizes, in which he had directed the jury, that if the endorsement of the defendant of the bill of exchange sued on was obtained upon a fraudulent representation that it was a guarantee, and the defendant signed it without knowing that it was a bill, and under the belief

that it was a guarantee, and if the defendant *was not guilty of any negligence in so signing the paper*, he was not liable as endorser to a *bond fide* holder.

In the case of *Whitney v. Snyder*, decided by the Supreme Court of New York, the action was against the defendant as maker of a promissory note, the plaintiff being a *bond fide* holder for value, before maturity. The defendant had offered to prove in defence, *that he was unable to read*, and that when he signed the note, it was represented to him, and he believed, that it was a certain other contract, offered to be also produced in evidence and which purported to be a contract *inter partes* of an entirely different character. The testimony was rejected, and the Supreme Court held that it should have been received, on the authority of the case of *Foster v. Mackinnon*, approving both branches of the rule, as stated in that case, and say, that it was in its circumstances quite similar to the case at bar, except that the present is a somewhat stronger case for the defendant *on the question of negligence*. The case of *Gibbs v. Linabury* approves the foregoing cases.

In the case of *Chapman v. Rose*, decided by the Court of Appeals, it appears that the defendant entered into a contract with one Miller to act as agent for the sale of a patent hay-fork and pulley. A contract was filled out by Miller, and signed by both; also an order which was signed by the defendant for one of the hay-forks and two pulleys, for which, by the order, defendant agreed to pay nine dollars. These were delivered to the defendant. Another paper was then presented to the defendant for his signature, which Miller represented to be but a duplicate of the order. Defendant, without reading or examining it, signed and delivered it to Miller; the paper so signed was a promissory note for \$270, and was the note in suit. The plaintiff purchased in good faith before maturity. The judge charged the jury that if the paper sued upon was never delivered as a note, the plaintiff must fail in the action; and that, even if it was delivered, and the plaintiff neglected to make proper inquiry as to its origin, he was not a *bond fide* holder, and could not recover. Johnson, J., in delivering the opinion of the whole court, says: "There does not appear to have been any physical obstacle to the defendant's reading the paper before he signed it. He understood that he was signing a paper by which he was about to incur an obligation of some sort, and he abstained from reading it. He had the power to know with certainty the exact obligation he was assuming, and chose to trust the integrity of the person with whom he was dealing, instead of exercising his own power to protect himself. It turns out that he signed a promissory note, and that it is now in the hands of a holder in good faith for value. The question which arises on the branch of the charge now under consideration is, whether it is enough, as against a *bond fide* holder, to show that he did not know or suppose that he was signing a note, unless it also appears that he was guilty of no laches or

negligence in signing the instrument. To that inquiry, the attention of the judge, at the trial, was distinctly called; and the instruction which he gave, and which was excepted to, did not submit, but excluded the consideration of it from the jury. It is quite plain that if the law is, that no such inquiry is admissible, a serious blow will have fallen upon the negotiability of paper. It will be a premium offered to negligence. To insure irresponsibility, only the utmost carelessness, coupled with a little friendly fraud, will be essential. Paper in abundance will be found afloat, the makers of which will have no idea they were signing notes, and will have trusted readily to the assurance of whoever procured it that it created no obligation. To avoid such evils it is necessary at least to hold firmly to the doctrine that he who, by his carelessness or undue confidence, has enabled another to obtain the money of an innocent person, shall answer the loss." The cases of *Foster v. Mackinnon*, and *Whitney v. Snyder*, are cited in support of the foregoing observations; and the charge of the judge presiding at the trial was accordingly held to be erroneous. In the reasoning of that opinion, and the conclusion reached, we entirely concur.

In the cases of *Briggs v. Ewart*, and *Martin v. Smylee*, which were similar to the case at bar, the instructions which were brought under review, and which received the approval of this court, declared the law to be, that a person signing a promissory note could not be held liable as maker, by a *bond fide* holder, if his signature was obtained *without his fault or negligence*, on the fraudulent representations of the payee that the paper offered for signature was not a note, and that the party sought to be charged did not know it was a note and did not intend to sign a note. Some observations, however, of the judge who delivered the opinion of the court in the case of *Briggs v. Ewart*, seem to reject the qualification of negligence, and to announce the broad doctrine, that to be binding the instrument must be executed as, and for the paper it purports to be, and if the party to be charged did not intend to make a promissory note, he cannot be held bound even in favour of a *bond fide* holder for value. These observations, and the subsequent case of *Corby v. Weddle*, in so far as it is based upon them, are disapproved.

We consider the rejection of the testimony offered by the defendant an immaterial matter, as we do not think the defence made devolved upon the plaintiff the duty of showing by positive testimony that he was a *bond fide* holder for value before maturity.

The judgment will be reversed and the cause remanded.

All the judges concur except Judge Vories, who concurs in the result.

REPORT OF THE IMPERIAL BANK OF GERMANY FOR THE YEAR 1876.

[The Reichs-mark converted at 20 = £1 in this statement.]

THE Imperial Bank, according to the law of May 21st, 1875, commenced operations throughout the whole of Germany on the 1st of January, 1876. The number of the offices of the bank is now 207. In consequence of the transformation of the Prussian Bank, forty-three new offices have been established, with a staff of 200 officers. In thirteen places it has been necessary to purchase land and to erect extensive buildings for this purpose. The Central and Provincial Committees have been instituted in every place in accordance with sections 31 and 36 of the Bank law. (A list of the members and their representatives, as well as of the deputies and their assistants is given in an appendix to the report which has not been translated.)

The management of the bank have had to contend with peculiar difficulties in procuring sufficient working capital at the time required for their more extended field of operations, in the face of the restriction of their right of issue and of the withdrawal of deposits by the Courts of law (*Gerichtlichen Depositen*). It has not been possible to obtain these means by the mere introduction of the systems of current accounts and cheques, on the English model, for the custom of employing cheques as a means of payment naturally cannot be forced upon the public at once. On the other side, some compensation has lately been derived through the Bank having allowed transfers free of cost for those who have accounts in any branch office of the Bank in Germany. How deeply the influence of this measure has been felt may be judged from the fact that the amount of transactions in this branch of the bank's business was for the first nine months of its operation 800 million sterling (16 milliards of marks), and the business continues to increase.

In the other branches of the business also there is an increase, but not by any means in proportion to the extension of the bank and the addition of new offices; the profits of the year have, in consequence also of the lower rate of interest for money, fallen considerably below those of the Prussian Bank for recent years.

TOTAL OPERATIONS.

The total operations, apart from the prolongation of loans on securities (Lombard), amount to—

£461,362,310 at the head office, and
1,372,879,220 at the branches.

Together £1,834,241,530
(For 1875, 872,903,350*)

RATE OF INTEREST.

The bank rate of discount was at the beginning of the year—
5 per cent. for bills, 6 per cent. for advances

On the 3rd Jan.	6	"	"	7	"	"	(rise)
19th Jan.	5	"	"	6	"	"	(fall)
4th Feb.	4	"	"	5	"	"	(do.)
18th May	3½	"	"	4½	"	"	(do.)
11th July	4	"	"	5	"	"	(rise)
25th Oct.	4½	"	"	5½	"	"	(do.)

* In order to facilitate comparison, the corresponding figures for the Prussian Bank for 1875 are given in parenthesis and italics.

And the average of the whole year was 4·16 per cent. for discounts and 5·16 for advances.

CAPITAL.

The total capital of the Imperial Bank, namely, Six Millions sterling, according to section 23 of the Bank law of the 14th March, 1875, is divided into forty thousand inscribed shares of £150 each, fully paid-up, thus :—

A—19,919 shares, exchanged by holders of Prussian			
	Bank shares, amounting to	£2,987,850	
B—20,000 shares, by public subscription			
		3,000,000	
C—81 „ remaining, by sale on the market			
		12,150	
40,000 „	Total	£6,000,000	

The surplus derived from subscription and sale of bank shares as mentioned under heading C, amounting to £904,725, has been placed to the reserve fund, in accordance with section 24 of the Bank law.

These 40,000 bank shares were, on the 31st December, 1876, divided amongst—

6,803 native proprietors, having 29,033 shares.			
1,374 foreign proprietors, „ 10,967 „			
Altogether 8,177	proprietors, „	40,000 „	inscribed on the bank register.

DEPOSITS.

The deposits amounted on Jan. 1, 1876, to ...	£5,065,190
During the year there was paid in	1,057,051

		Together	...	6,122,241
There was withdrawn	...	...	...	4,018,727

And there remained December 31, 1876... .. £2,130,514
Or £2,961,000 less than at the beginning of the year.

The accounts which have increased, are :

Deposits bearing 2½ per cent. interest	£930,000
Do. private „ 2 „ „	8,241
Accounts „ no interest	47,780

Those which have diminished, are :—

Accounts bearing 3 per cent.	£1,204,301
Do. „ 2½ „ „	960,532
Do. by the Courts of law (<i>Gerichtlichen Depositen</i>) bearing 2 per cent.	945,873

The highest point touched by the deposits, was £5,065,190 on the 1st Jan.
The lowest 2,103,510 „ 31st Dec.

On the average for the year, the accounts bearing interest amounted to £3,360,501 (1875, £5,149,155), and the average interest paid by the bank was 2·58 per cent. (the same as in the year 1875).

The interest on the deposit capital for 1876 is	£86,863
Which, adding overdue interest	62,006

		Makes together	...	148,869
Of this was paid	...	...	...	118,548

And on December 31st, 1876, the sum of £30,321

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remained due to depositors, and is carried to the balance of liabilities. The important reduction of the deposits is a consequence of the fact that the State of Prussia made use, on Feb. 1st, 1876, of the power given to it by section 12 of the Act of 17th and 18th May, 1875, to withdraw the deposits by the Courts of law, and in consequence a large part of this money has been obliged to be paid out to the State.

BANK NOTE CIRCULATION.

The circulation of notes was—

At the lowest on 15th March	...	...	...	...	£31,054,450
„ highest on 30th June...	...	...	...	...	38,883,850
Average	...	...	...	...	34,243,350

Of the sum of £38,305,357 outstanding on Dec. 1st there were—

10,288 notes of 10 thalers (£1. 10s.)	...	...	...	15,432
10,914 „ 25 „ (£3. 15s.)	...	...	...	40,927
1,923 „ 50 „ (£7. 10s.)	...	...	...	14,423
4,954 „ 100 „ (£15)	...	...	...	74,310
571 „ 500 „ (£75)	...	...	...	42,825
3,554,283 „ 100 marks (£5)	...	...	...	17,771,415
361,059 „ 500 „ (£25)	...	...	...	9,026,475
226,391 „ 1,000 „ (£50)	...	...	...	11,319,550
				<u>£38,305,357</u>

The sum of £30,584 is set down as the cost of new notes.

STOCK OF METAL.

The stock of current coin and of gold in bars or foreign coin, the pound fine reckoned at M.1392 (£69. 12s.) was—

At its lowest amount on 23rd Jan. ...	...	...	...	£21,863,550
„ highest „ 15th June...	...	...	...	28,189,350
Average... ..	...	...	...	25,529,650

The notes in circulation were covered on the average of the whole year by 74.55 per cent. in metal.

CURRENT ACCOUNTS.—(*Giro-Verkehr*).

The Giro business of the former Prussian bank has been entirely reformed. In the place of the old and incomplete arrangement a system has been introduced which not only provides the customers of the Imperial Bank with the facilities and conveniences of English banking practice, but also allows them the further possibility of making and receiving payments free of cost throughout the whole district over which the Imperial Bank spreads. The whole of Germany has thus become a single *Giro-platz*, over which the customers of the Imperial Bank are put in a position to make and receive payments by simple transfers, free of all costs and difficulties from one account to another. The importance of this new branch of business, opened for the first time on April 10th, 1876, may be seen from the following figures :—

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CURRENT ACCOUNTS.—(GIRO ACCOUNTS.)

The Giro accounts amounted on Jan. 1st to	£949,513	
During the year there has been received on Giro accounts in cash	£164,256,946	
By transfers in one and the same place	153,988,775	(1875.)
By transfers from other places	101,368,200	419,613,921 (£20,317,366)
On the other side the payments were—		
In cash	£165,895,616	
By transfers in one and the same place	153,988,775	(1875.)
By transfers from other places	96,063,949	415,948,340 (£21,390,525)
The sum remaining	£4,615,094	
is carried forward to credit, Dec. 31st, 1876.		
Persons and firms having no Giro account have made payments to the credit of those having an account (<i>Giro-Interessenten</i>) in other places to the amount of	6,695,672	
And adding transfers between depositors with accounts in different places to the amount of	96,063,948	
The total transfers between different places amount to	£102,759,620	
Of this has been paid out ...	£102,201,736	
And there remained on 31st Dec., 1876	£557,884	
Which is carried to the balance of liabilities.		
On the average the amount of Giro accounts has been	£3,529,730	(1875.) (£1,913,135)
The highest point was	£5,691,250	on Dec. 23rd.
The lowest point was	£750,500	on Jan. 15th.
TRANSACTIONS WITH THE EMPIRE AND THE GERMAN STATES :—		
On Jan. 1st, 1876, the account of the Royal Prussian general State treasury (<i>General-Staatskasse</i>) was taken over from the Prussian bank amounting to	£87,228	
There has been paid in for the account of the Empire and various German States during the course of the year ...	52,637,253	
Making together	52,724,481	
And there has been paid out...	50,893,964	
Balance remaining Dec. 31st, 1876	1,830,517	

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DISCOUNTS.

The amount of bills under discount on January 1st, 1876, was :

	74,259	bills, amounting to ...	£9,465,591
		There has since been discounted	
	531,051	bills, amounting to ...	55,359,093 (1875: £54,227,875)
Total ...	605,310	bills, amounting to ...	64,824,684
The amount run off is	521,756	bills do. ...	54,928,227 (1875: £52,619,148)
Leaving...	83,554	bills, amounting to ...	£9,886,457

On December 31st this amount was composed of ... } 1,008,309 at the head office.
 ... } 8,878,148 „ branches.

The profit on these operations was :—

At the head office ...	£37,399 (1875: £38,686)
„ branches ...	321,795 (do. 334,862)

Together ... £359,195 (1875: 373,548)
 The average amount held in bills was ... £8,692,052 (do. £7,875,600)

The highest amount... £10,109,450 on 31st October.
 „ lowest „ ... £7,187,950 „ 23rd March.

The average amount of each bill discounted was £104—and the average currency varied according to the individual branch offices from 13 to 76 days. The average currency of the whole was 57 days.

INLAND DRAFTS.

Inland drafts were, January 1st, 1876 :—

	147,984	bills, amounting to	£13,626,685
	2,028,463	„ were bought, amounting to	150,782,516
	18,474	„ renewed, amounting to	299,928
Together	2,194,921	„ amounting to	£164,709,129 (1875: £147,028,371)
	2,019,663	„ were paid off, amounting to	152,352,908 (1875: £143,745,944)
Leaving	175,258	„ on 31st Dec. 1876 amounting to	£12,356,221
Consisting of	...	...	{ 1,558,483 at the head office.
			{ 10,797,738 „ branches.

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The profit on these bills amounted, to—

At the head office	£85,156 (1875: £84,495)
„ branches... ..	381,261 (1875: 405,902)

Together ... £466,417 (1875: 490,395)

The average investments in these bills were £11,369,850 (1875: £10,212,250)

The highest investments in these bills

were, on January 7th ... £13,676,750

The lowest do. on March 15th... 9,442,150

The average amount of each of these bills was £74. 6s; their currency varied from 13 to 66 days, according to the individual branch offices; the average currency was 27 days.

The amount of bills held December 31st, 1876, was £22,242,678, divided as follows:—

Having 15 days to run	£9,780,939
16 to 30 days „	4,120,674
31 to 60 days „	5,154,720
61 to 90 days „	3,186,345

Total £22,242,678

BILLS ON FOREIGN COUNTRIES.

Bills on foreign countries were, on January 1st, 1876:—

6,681 bills of the exchange value of £282,046

4,377 „ were bought 881,654 (1875: £3,723,912)

Together 11,058 „ £1,163,700

10,719 „ were paid off, value 1,094,611 (1875: £3,761,252)

Leaving 339 bills for £69,089

Which had, on December 31st, 1876, an exchange value of 73,971

Leaving a profit of £4,882

The average investments in these bills were £83,615 (1875: £245,855)

The highest on January 7th 141,550

The lowest on April 30th 31,250

The average capital placed in these bills and with the correspondents of the bank yielded a profit in interest and on the exchange of 4-6 per cent. for the year.

BILLS COLLECTED FOR PERSONS HAVING NO ACCOUNTS.

Bills collected for persons having no accounts amounted at the various bank offices to (13,869 bills) £502,425 (1875: £374,510), collected and paid out again.

A commission of £1,007 was charged on these operations. The average amount of the bills was £36.

The aggregate sum of all bills discounted, bought and received for collection, was—

	No.	Amount.
Bills discounted	531,051	£55,359,093
Inland drafts	2,028,463	150,782,516
Foreign bills	4,377	881,654
Bills for collection	13,869	502,426

Together ... 2,577,760 ... £207,525,689
(1875: 2,268,658 ... £205,355,169)

Report of the Imperial Bank of Germany for 1876. 939

The aggregate profit on the bill business was, including the £1,007 commission charged on the collection of bills, £331,502 (1875: £383,310).

ADVANCES.

On Jan. 1st, 1876, there was advanced on—				
	4,787 loans amounting to	...	£3,419,892	
	6,551 „ were made during			1875.
	the year	...	£23,360,361	(£23,552,547)
Together	11,338	...	£26,780,253	
Repaid	6,169 loans amounting to	...	23,757,797	(£23,541,160)
Remaining	5,169—31st Dec., 1876	...	£3,022,456	
The interest on these operations has been—				
At the head office	...	...	£24,165	(£29,352)
„ branches	...	...	108,349	(£125,581)
Together	...	...	£132,514	(£154,933)
The average investment in advances was	...	...	£2,549,200	(£2,726,450)
The highest, on Jan. 7th	...	...	3,107,450	
The lowest, on May 23rd	...	...	2,242,600	

The loans outstanding at the end of the year were —

£1,965 on gold or silver.

£2,568,703 „ securities (including bills) as prescribed in section 13, paragraph 3, letters b, c, d, of the Bank law.

£451,787 „ goods.

From the Prussian Bank there were taken over on Jan. 1st, 1876, unpaid bills and advances amounting to	£122,663
Of these there have been paid £34,267, and definitely written off £103	34,370

Leaving...	£88,293
In the year 1876 there was added	18,875

Total £107,168

The reserve received from the Prussian Bank against doubtful bills and advances was	£35,649
---	---------

In the course of the year 1876 there was written off for bills the amount of which could not be collected	103
---	-----

The remainder	35,546
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was reserved 31st Dec., 1876, against doubtful bills and advances.

Of the greater amount of these advances being	71,620
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There has been received in the year 1877 the sum of	38,608
---	--------

The payment of the remainder	£33,012
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May be looked forward to with certainty.

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DRAFTS AND ORDERS.

Drafts and orders issued by the Imperial Bank and the branches were distributed thus—

	No.	Amount.	1875.
a.—Without commission ...	5,983	£3,307,402	(£4,689,553)
b.—With commission ...	11,433	6,506,271	(9,757,800)
Together	<u>17,416</u>	<u>£9,813,673</u>	(£14,447,353)

The profits derived from the commission were—

At the head office	£166
At the branches	<u>1,155</u>
	£1,321 (£1,800)

At the end of the year there remained £69,706 not drawn, this sum is carried to the balance of liabilities.

GOLD OPERATIONS.

The stock of bars and foreign coin on Jan. 1st, 1876, was ...	£5,324,901
There has been bought	<u>2,319,463</u>
	Making ... £7,643,764
There was taken for coinage or sale	5,500,120
Leaving, Dec. 31st, 1876	<u>2,143,644</u>
This stock had a market value of	2,144,170
Leaving a profit of	£526
The silver taken from the Prussian Bank was sold at a profit of £2,361.	

TRANSACTIONS WITH THE CORRESPONDENTS OF THE BANK.

The amounts held by correspondents on Jan. 1st, 1876, were	£66,429
In the course of the year they received further	<u>655,124</u>
Total received	£721,553
From which was withdrawn	<u>705,657</u>
Leaving on 31st December, 1876	£15,896

DEPOSITS UNDER LOCK AND KEY.

The number of these deposits, on January 1st, 1876, was	1,832
There have been added to these	<u>2,870</u>
Making together	4,702
There were withdrawn	<u>2,582</u>
Leaving on December 31st, 1876	2,120
The charges made for keeping these accounts were:—	
At the head office	£1,472—(1875—£1,778)
„ branch offices	<u>896—(1875—627)</u>
Together	£2,368—(1875—£2,405)

Report of the Imperial Bank of Germany for 1876. 941

OPEN DEPOSITS.

On January 1st, 1876, there were:—

20,254 accounts of a nominal amount of ...	£15,921,367
17,790 were added in course of the year of ...	14,613,902
Total 38,044	£30,535,269
From these were withdrawn:—	
6,543 accounts amounting to	£9,328,798
Leaving 31,501 remaining, amounting to	£21,206,471

The number of miscellaneous securities which have been deposited was 1,547—(1875—1,327).

The control of the drawings for 621,897 (1875—531,452) securities was entrusted to the office (*Komtoir*).

On the securities deposited there was received in the course of the year for interest and dividends, £753,214. The commission on the depositing and for the buying and selling of securities was £10,391 for the year 1876.

COST OF MANAGEMENT.

The total amount was:—

For the central administration	£78,895
For special management:—A—Head office	£28,721
B—Other offices	162,352
	191,073

£269,968

In the year 1875 the cost of administration for the Prussian Bank was	223,077
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The expenses of the Imperial Bank for 1876 were therefore more by	£46,891
But in this sum is included	14,055
for establishment of the Imperial Bank and the new branches. The real cost of administration has, therefore, increased only	£32,836

And this increase is principally to be attributed to the institution of a great number of new offices of the bank to the taking over of the Imperial Treasury (*Hauptkassen*) business, and of the new system of Giro accounts, which has necessitated a considerable increase in the staff.

In the aggregate sum of	£269,968
Are included:—	

On account of expenses over estimated ...	£1,999
On account of bonuses saved	545
	2,544

Thus the net cost of administration is	£267,424
---	----------

PROFIT AND LOSS ACCOUNT.

The gross profit is	£1,000,116
From which are to be deducted—	
1. Cost of management	£269,968
2. Interest payable on deposits	86,863
3. Cost of bank notes	30,539

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4. Indemnity to five private banks for right of note issue	5,197	
5. Paid to the state of Prussia according to section 6 of the Act of 17-18 May, 1875 (<i>Reichs-Gerichts Blatt</i> , p. 215)	93,287	
		485,854
Net profit		£514,262
1. Of this there has been already paid, or is still to be paid, according to section 24, paragraph 1-3 of the Bank law of 14th March, 1875, to the shareholders $4\frac{1}{2}$ per cent. on £6,000,000		270,300
Leaving		£244,262
2. 20 per cent. on this sum (£244,262) placed to reserve		48,852
3. Of the remainder		£195,410
Half goes to the Imperial Treasury		97,705
And the other half to the shareholders		97,705
Of this sum of	£97,705	
Each share receives as surplus dividend, at the rate of 48 marks 75 pf. per share on 40,000 shares (say, £2. 8s. 9d. per share) the sum of	97,500	
Leaving to be carried forward	£205	
The shareholders have, therefore, received on each share of £150, paid already for the first and second half-year		£6 15 0
Besides surplus dividend		2 8 9
In all		£9 3 9
Or altogether at the rate of $6\frac{1}{2}$ per cent. for the year 1876.		
The balance-sheet of the Imperial Bank is appended to the report.		

BOARD OF DIRECTORS OF THE IMPERIAL BANK OF GERMANY.

The balance-sheet and the account of profit and loss have been confirmed by the Imperial Chancellor, according to the regulations in section 32, letter A of the Bank law.

The list of all the branches of the Imperial Bank is appended, together with the condensed weekly statements of the bank as published during the year 1876.

DIRECTORS OF THE IMPERIAL BANK.

(Signed)

VON DECHEND, BÖSE, ROTHE, GALLENKAMP, HEBMANN, KOCH, VON KÖNEN.

Berlin, 26th March, 1877.

(To be continued.)

Reports of Joint Stock Banks.

BANK OF VICTORIA

REPORT of the directors presented to the proprietors at the half-yearly general meeting, held at Melbourne, 7th August, 1877.

The board of management beg leave to submit their forty-ninth half-yearly report to the proprietors of the bank stock, together with the balance-sheet for the same period, duly certified by the auditors, showing a balance of undivided profits, from 31st December, 1876, of £10,571. 6s. 8d.; net profits for half-year, after providing for bad and doubtful debts, £31,763. 15s. 3d.—together, £42,335. 1s. 11d., which the directors propose to appropriate as follows, viz.:—To payment of dividend at 10 per cent. per annum, £25,000; to bonus at 2 per cent. per annum, £5,000; to bank promises, £1,500—together, £31,500, leaving a balance of £10,835. 1s. 11d. undivided profits to be carried forward. The general manager, Mr. John Matheson, having obtained leave of absence to visit Europe in order to recruit his health, the assistant-manager, Mr. Richard Shann, has been appointed to take his place during his absence as acting general manager. During the past half-year a branch of the bank has been opened at Swan Hill. At the close of this meeting it will be necessary for the proprietors to elect three directors in the room of James Blair, Esq., J.P., W. Lane, Esq., and G. Nicholson, Esq., J.P., who retire by rotation, two only of whom are eligible for re-election. The candidates who have given the requisite notice in terms of the deed of settlement are the following, viz.:—James Blair, Esq., J.P.; J. K. Freyer, Esq., J.P.; William Lane, Esq.; and Germain Nicholson, Esq., J.P. The election will take place by ballot, to commence after the ordinary business of the meeting, and close at four o'clock. Two auditors will have to be elected for the ensuing year, and the following duly qualified proprietors have offered themselves as candidates for the vacancies, viz., H. N. Hull, Esq., and E. P. S. Sturt, Esq.

Aggregate Balance-sheet, 30th June, 1877,

<i>Dr.</i>						
Proprietors' capital	..	..	..	..	..	£500,000 0 0
Notes in circulation	..	..	..	..	..	280,761 0 0
Bills in circulation	..	..	..	..	..	422,210 10 10
Deposits (including interest accrued) and other moneys payable on demand, and rebate on bills current not yet due						3,612,636 13 3
Due to other banks	..	..	..	..	..	37,909 8 6
Reserve fund	..	..	..	..	..	230,000 0 0
Profit and loss	..	..	..	..	..	42,335 1 11
						£5,125,842 14 6
<i>Cr.</i>						
Coin, bullion, and cash balances	..	..	..	..	..	£565,118 14 2
Bullion <i>in transitu</i> to London	..	..	..	..	..	231,510 0 0
Due from other banks	..	..	..	..	..	200,803 16 3
Bills receivable and other advances	..	..	..	..	..	3,955,668 12 11
Policies of insurance	..	..	..	..	..	1,614 17 4
Bank premises	..	..	..	..	..	171,131 13 10
						£5,125,842 14 6

*Profit and Loss.**Dr.*

Current expenses, head office and 64 branches, with eight sub-branches	£48,886	16	1
Bank note tax	2,982	5	2
Balance	42,335	1	11
	£94,204	3	2

Cr.

Balance from 31st December, 1876	£10,571	6	8
Gross profit for half-year (after deducting all interest paid or due to customers and providing for bad and doubtful debts) and rebating bills current	83,632	16	6
	£94,204	3	2

Dr.

Dividend account at 10 per cent. per annum, £25,000; bonus 2 per cent. per annum, £5,000	£30,000	0	0
Bank premises	1,500	0	0
Balance carried forward to next half-year	10,835	1	11
	£42,335	1	11

Cr.

Balance	£42,335	1	11
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Reserve fund, £230,000.

The foregoing report and statement having been read to the meeting, it was resolved unanimously:—1st. "That the report and balance-sheet now read be adopted, printed, and circulated amongst the shareholders." 2nd. "That Messrs. H. N. Hull and E. P. S. Sturt be appointed auditors for the ensuing year, and act as scrutineers for the ballot about to take place for the election of directors." 3rd. "That the thanks of the meeting be presented to the board of management and officers for the satisfactory manner in which the bank has been conducted for the past half-year."

DELHI AND LONDON BANK, LIMITED.

REPORT of the directors presented to the shareholders at the ordinary general meeting, held at London, 10th October, 1877.

The directors have the pleasure to submit the audited balance-sheet and profit and loss statement for the half-year ended on the 30th June last. The net profit realised during the six months amounts to £10,489. 11s. 2d., which sum, added to the balance of £514. 19s. 2d., brought forward from the previous half-year's account, gives a total at credit of profit and loss account of £11,004. 10s. 4d., which sum the directors propose to deal with in the following manner:—£7,569. 11s. 3d. for payment of a dividend for the past half-year at the rate of four-and-a-half per cent. per annum (free of income-tax); £3,000 to meet deficiencies on realisations of the lock-up, leaving a balance of £407. 19s. 1d. to be carried forward to next account. Together £11,004. 10s. 4d. The directors have pleasure in stating that the business of the bank during the past half-year has been satisfactory.

Balance-sheet, for 30th June, 1877.

<i>Dr.</i>			
Paid-up capital	£337,625	0	0
Amount due on customers' balances, deposits, and circular notes	449,322	4	4
Amount on exchange accounts, credits, &c.	216,128	1	1
Amount on account of acceptances	39,281	1	9
Profit and loss	11,004	10	4
	<u>£1,053,360</u>	<u>17</u>	<u>6</u>
<i>Cr.</i>			
Cash in hand and on call at head office and branches	£48,280	19	2
Government securities	125,897	15	10
Discounts, loans and credits	582,145	12	2
Other securities, including bullion, bills purchased, &c.	255,366	8	11
Freehold premises in Delhi, Calcutta, Lucknow, and Mussoorie, &c.	41,670	1	5
	<u>£1,053,360</u>	<u>17</u>	<u>6</u>

Profit and Loss Statement.

<i>Dr.</i>			
Amount written off to provide for bad and doubtful debts, as per last report	£2,000	0	0
Dividend for the half-year ending 31st Dec., 1876, at 4½ per cent. per annum (free of income-tax) £7,596. 11s. 3d.; expenses at head office and branches, including rent, taxes, &c., £8,305. 2s. 9d.	15,901	14	0
	<u>£17,901</u>	<u>14</u>	<u>0</u>
Balance	11,004	10	4
	<u>£28,906</u>	<u>4</u>	<u>4</u>
<i>Cr.</i>			
Balance brought forward	£10,111	10	5
Gross profits at head office and branches, after paying interest on deposits and current accounts	18,794	13	11
	<u>£28,906</u>	<u>4</u>	<u>4</u>

HONGKONG AND SHANGHAI BANKING CORPORATION.

Twenty-fourth report of the court of directors to the ordinary half-yearly general meeting of shareholders, held at Hongkong, 16th August, 1877.

The directors have now to submit to you a general statement of the affairs of the bank, and balance-sheet for the half-year ending 30th June last. The net profits for that period, including \$11,047.13 brought forward from last account, after paying all charges, deducting interest paid and due, making provision for bad and doubtful accounts, and for difference in exchange between the rate at which the dividend is declared and the current rate of the day, amount to \$358,078.85, of which, after taking out rebate on bills not yet due, and remuneration to directors, there remains for appropriation \$341,805.23. From this sum the directors recommend the payment of a dividend of one pound sterling per share, which will absorb \$177,777.78. The directors recommend placing \$150,000 to credit of reserve fund, which will then stand at \$650,000, and carrying forward the balance, \$14,027.45, to credit of new profit and loss account. The directors again have to congratulate the shareholders on the prosperous

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condition of the bank. Mr. S. W. Pomeroy, jun., and Mr. Adolf André resigned their seats at the board in consequence of leaving the colony, and Mr. Wm. A. Forbes and Mr. Wilhelm Reiners have been appointed in their stead. The accounts have been audited by Mr. H. B. Gibb and Mr. E. O. Smith (in place of the Hon. Phineas Ryrie, absent).

Abstract of Assets and Liabilities, June 30th, 1877.

ASSETS.

<i>Dr.</i>							
Cash and bullion	..	..	..	..	..	..	\$5,219,738.16
Government securities	..	..	..	..	..	..	1,034,837.78
Bills discounted, loans and credits	..	..	..	..	..	..	10,064,350.66
Exchange remittances	..	..	..	..	..	..	25,414,782.66
Bank premises	..	..	..	..	..	..	212,011.96
Dead stock	..	..	..	..	..	..	100,969.01
							<u>\$42,046,680.23</u>

LIABILITIES.

<i>Cr.</i>							
Paid-up capital	..	..	..	..	..	..	\$5,000,000.00
Reserve fund, \$500,000.00; marine insurance account, \$58,971.98	..	..	..	..	..	..	558,971.98
Notes in circulation, \$1,231,290.35; deposits, \$14,737,694.89	..	..	..	..	..	..	15,968,985.24
Exchange acceptances	..	..	..	..	..	..	20,160,644.16
Profit and loss account	..	..	..	..	..	..	358,078.85
							<u>\$42,046,680.23</u>

Profit and Loss Account, 30th June, 1877.

<i>Dr.</i>							
Amounts written off: Remuneration to directors, \$10,000.00; rebate on bills not due, \$6,273.62	..	..	..	..	..	..	\$16,273.62
Dividend account: £1 per share on 40,000 shares, = £40,000 at 4s. 6d.	..	..	..	..	..	..	177,777.78
Reserve fund	..	..	..	..	..	..	150,000.00
Balance: Carried forward to next half-year	..	..	..	..	..	..	14,027.45
							<u>\$358,078.85</u>

<i>Cr.</i>							
Balance of undivided profits, 30th December, 1876	..	..	..	..	..	..	\$11,047.13
Amount of net profits, for the six months ending 30th June, 1877, after deducting all expenses and interest paid and due	..	..	..	..	..	..	347,031.72
							<u>\$358,078.85</u>

RESERVE FUND.

<i>Dr.</i>							
Balance on 30th June, 1877	..	..	..	..	..	..	\$650,000.00
							<u>\$650,000.00</u>
<i>Cr.</i>							
Balance on 30th December, 1876	..	..	..	..	..	..	\$500,000.00
Amount from profit and loss account	..	..	..	..	..	..	150,000.00
							<u>\$650,000.00</u>

MERCANTILE BANK OF SYDNEY.

Report presented to the shareholders at the half-yearly general meeting, held 10th July, 1877.

The directors feel much pleasure in submitting to the proprietors the following report of the results of the business during the half-year ending 30th June, 1877. The accounts now presented show that the balance at the credit of profit and loss, after deducting accrued interest on fixed deposits and current accounts, and after providing for all bad and doubtful debts, amounts to, £32,813. 17s. 6d. This balance the directors have appropriated as follows, viz:—Expenses of management in Sydney and at London office, including directors' and auditors' fees, salaries, rent of premises, stationery, &c., &c., £2,726. 6s. 11d.; rebate on bills discounted not due on 30th June, £5,276. 5s. 10d.; in payment of a dividend at the rate of 12½ per cent. per annum, £11,875,—together, £19,877. 12s. 9d.; leaving a balance of undivided profit amounting to £12,936. 4s. 9d. It devolves upon the meeting to elect a director in the room of Henry Mort, Esq., who retires in terms of the deed of settlement, but is eligible for re-election, and has given the requisite notice that he is a candidate. It is also necessary to elect two auditors in the room of P. G. King, Esq., and Geo. Thorne, Esq., both of whom are eligible for re-election. During the half-year a branch of the bank has been opened at 575, George Street, Brickfield Hill. The dividend is now payable.

Balance-sheet, 30th June, 1877.

<i>Dr.</i>									
Paid-up capital	..	..	..	..	..	..	..	£200,000	0 0
Reserve fund	..	..	..	..	..	..	..	50,000	0 0
Notes in circulation	..	..	..	..	..	..	..	11,043	0 0
Deposits and other liabilities	..	..	..	..	..	..	..	717,467	5 4
Profit and loss	..	..	..	..	..	..	..	32,813	17 6
								<u>£1,011,324</u>	<u>2 10</u>
<i>Cr.</i>									
Coin on hand, £141,584. 13s. 10d.; cash balances, £58,268. 15s. 9d.								£199,853	9 7
New South Wales government debentures	..	..	..	..	..	..	..	25,800	0 0
Office furniture	..	..	..	..	..	..	..	1,374	0 5
Bills discounted; securities for advances; and other assets	..	..	..	..	..	..	..	781,670	5 11
Expenses of management, &c.	..	..	..	..	..	..	..	2,726	6 11
								<u>£1,011,324</u>	<u>2 10</u>

Profit and Loss.

<i>Dr.</i>									
Expenses of management in Sydney and at London office, including directors' and auditors' fees, salaries, stationery, and rent of premises	..	..	..	..	..	..	..	£2,726	6 11
Rebate on bills discounted not due on 30th June	..	..	..	..	..	..	..	5,276	5 10
Dividend at the rate of 12½ per cent. per annum	..	..	..	..	..	..	..	11,875	0 0
Undivided balance carried to next account	..	..	..	..	..	..	..	12,936	4 9
								<u>£32,813</u>	<u>17 6</u>
<i>Cr.</i>									
Undivided balance from last half-year	..	..	..	..	..	..	..	£12,150	10 2
Profit for half-year ending 30th June, 1877	..	..	..	..	..	..	..	20,663	7 4
								<u>£32,813</u>	<u>17 6</u>

NATIONAL BANK OF INDIA, LIMITED.

Twentieth report by the directors.

The directors submit to the shareholders herewith an *ad interim* statement, and profit and loss account as at 30th June last, duly audited. The net profits for the half-year amount to £20,754. 8s. 7d.; which with the balance brought forward from the previous year, £2,687. 19s. 11d., makes a total of £23,442. 8s. 6d. This sum the directors have dealt with as follows:—In payment of an *ad interim* dividend, at the rate of 6 per cent. per annum, free of income-tax, £13,957. 10s.; carrying forward £9,484. 18s. 6d.; together £23,442. 8s. 6d. The very onerous character of the duties devolving upon the chief manager for the past two years, owing to the increased demands of business upon his attention and to the withdrawal for service abroad of the then manager in London, whose appointment has never been filled up, had rendered your directors anxious, for some time past, to strengthen the chief management at this office, and they have now much satisfaction in informing the shareholders that they have secured the services of Mr. Robert Campbell (formerly of the Chartered Mercantile Bank of India, London and China), who has been associated with Mr. Sawers in the management in London, under the title of joint general manager. The directors have not deemed it necessary to call the shareholders together.

Interim Statement for the half-year ended 30th June, 1877.—General Balance.

LIABILITIES.

Dr.

Capital consisting of 37,320 shares of £25 each, with £12. 10s. paid up, £466,500; less 100 shares of £25 each, originally subscribed for, but not taken up, £1,250	£465,250	0	0
Reserve fund	15,000	0	0
Amount due on current and fixed deposit and other accounts	1,523,637	9	10
Bills payable	851,698	0	7
Profit and loss account as under.. .. .	23,442	8	6
	<u>£2,879,027</u>	<u>18</u>	<u>11</u>

ASSETS.

Cr.

Cash on hand and at bankers, £336,828. 6s.; bullion, £187,718. 19s. 3d.; government securities, £296,856. 15s... .. .	£821,404	0	3
House property, furniture and stamps	54,438	17	0
Bills of exchange	1,437,454	13	3
Loans on government and other securities	565,730	8	5
	<u>£2,879,027</u>	<u>18</u>	<u>11</u>

Profit and Loss Account.

Dr.

Dividend at the rate of 6 per cent. per annum for the half-year ended 31st December, 1876	£13,957	10	0
Balance	23,442	8	6
	<u>£37,399</u>	<u>18</u>	<u>6</u>

Cr.

Balance	£16,645	9	11
Net profits for the half-year ended 30th June, 1877, after defraying all current charges, rebates, and interest paid and due to constituents on current and fixed deposit accounts	20,754	8	7
	<u>£37,399</u>	<u>18</u>	<u>6</u>

NEW LONDON AND BRAZILIAN BANK, LIMITED.

THE directors have the pleasure at this, their sixth annual general meeting, to present to the shareholders the annexed statement of accounts for the year ending the 31st July last. These accounts have been audited, and show an available balance of £64,374. 1s. (including £22,761. 2s. 11d. brought forward from last year). An interim dividend of 5s. per share, amounting to £11,250 was paid in April last. The directors now recommend a further payment of 7s. per share, making, with the previous distribution, a dividend for the year of 12s. per share, or 6 per cent., free of income-tax, on the paid-up capital of the bank. These payments will absorb £27,000 of the above sum, leaving a balance of £37,374. 1s., which the directors recommend should be appropriated as follows:—£25,000 towards the formation of a reserve fund, and £12,374. 1s. to credit of profit and loss new account. The recoveries during the year on account of the "Angelica Estate and Accounts in Realization" amount to £7,591. 12s. 10d., and the balance of that account is thereby reduced to £112,375. 11s. The reserve of £51,234. 9s. 9d. held against this account shows no alteration. The business of the Porto Alegre Branch not having proved of sufficient importance, the directors have closed that establishment. In accordance with the Articles of Association, the following directors retire in rotation:—Edward Lonsdale Beckwith, Esq., and the Hon. Pascoe Charles Glyn, who being eligible, offer themselves for re-election.

Balance-sheet, London, 31st July, 1877.

LIABILITIES.

<i>Dr.</i>			
To capital—45,000 shares issued, £20 each, £900,000 ; paid-up			
£10 per share	£450,000	0	0
Reserve—depreciation of capital account, £40,000 ; realization			
account, £51,234. 9s. 9d.	91,234	9	9
Current accounts and deposits	1,105,033	11	10
Bills payable and other liabilities	1,526,739	10	2
Profit and loss	53,124	1	0
	<u>£3,226,131</u>	<u>12</u>	<u>9</u>

ASSETS.

<i>Cr.</i>			
Specie and cash on hand at head office and branches	£539,738	9	3
Bills receivable and advances against securities	2,549,293	11	4
Angelica estate and accounts in realization	112,375	11	0
Bank premises and furniture at head office and branches	24,724	1	2
	<u>£3,226,131</u>	<u>12</u>	<u>9</u>

Profit and Loss Account for the year ending 31st July, 1877.

<i>Dr.</i>			
Dividend of 5s. per share for the half-year ending 31st July,			
1876	£11,250	0	0
Balance	22,761	2	11
	<u>£34,011</u>	<u>2</u>	<u>11</u>
<i>Cr.</i>			
Balance on 31st July, 1876	£34,011	2	11

<i>Dr.</i>		
Charges at head office and branches	£40,749	12 10
Dividend (interim) for the half-year ending 31st January, 1877	11,250	0 0
Balance carried forward	53,124	1 0
	<u>£105,123</u>	<u>13 10</u>
<i>Cr.</i>		
Balance brought forward	£22,761	2 11
Profit to 31st July, after providing for rebate of interest on bills discounted not due, bad and doubtful debts, &c. ..	82,362	10 11
	<u>£105,123</u>	<u>13 10</u>
Balance brought forward	<u>£53,124</u>	<u>1 0</u>

ROYAL BANK OF IRELAND.

Report of the directors submitted to the proprietors at their forty-first annual general meeting, held at Dublin, 26th September, 1877.

The directors have much pleasure in bringing before the shareholders the usual annual statement of the bank's position at the close of its financial year. The net profit has amounted to £53,701. 3s. 10d., which, with the sum of £5,438. 17s. 8d. unappropriated at last balance, left the sum of £59,140. 1s. 6d. to be dealt with; and the directors have applied it as follows:—Dividends, at the rate of 14 and 15 per cent. respectively for the two half-years, £43,500; provision for bad and doubtful debts, £6,000; in reduction of bank premises account, £1,000; officers' superannuation fund, £1,000; sum £51,500, leaving a balance of £7,640. 1s. 6d. to be carried forward to next year's account. During the entire period of the past year the general condition of trade, and the position of the discount market, continued to be unfavourable for banking profits; but notwithstanding these adverse circumstances the directors trust that the shareholders will deem the above results satisfactory. While the directors have not made any addition on this occasion to the permanent reserve fund, they are of opinion that it is desirable to carry over a larger balance than heretofore in profit and loss account, with a view of equalizing the dividend, as far as practicable, in future years; and they have accordingly made a moderate addition to it now. In view of making a provision for the officers' superannuation scheme, adopted some time ago by the directors, with the concurrence of the shareholders, a sum of one thousand pounds has been allocated, and as in future years the demand on this fund must necessarily increase, it is proposed to make further additions from time to time, as circumstances permit. The directors have made arrangements for the opening of a new branch at the North Wall, where they hope to commence operations in a short time, and they believe that the growing importance of that neighbourhood renders such a course desirable, both to their customers and to the public generally. The directors retiring by rotation are Joseph Boyce, Esq., and Alexander Parker, Esq., who are eligible for re-election, and having been duly proposed, offer themselves for that purpose.

Dr. Statement of Accounts to August 31st, 1877.

LIABILITIES.		
Proprietors' paid-up capital	£300,000	0 0
Reserve fund	200,000	0 0
Amount due by the bank on current and other accounts, and on deposit receipts	1,933,824	18 3
English and Irish post bills and foreign circular notes	43,420	5 0
Balance of profit and loss unappropriated last year	5,438	17 8
Net profit, for year ending this date, £53,701. 3s. 10d.; deduct—February dividend paid to proprietors £21,000	52,701	3 10
	<u>£2,515,385</u>	<u>4 9</u>

<i>Cr.</i>		ASSETS.	
Bills discounted on hand	£1,267,461	5	1
Advances on Government stock and other securities	591,067	4	2
Cash on hand, Government and other stock, and bankers' balances at call	622,243	6	2
Bank premises	34,613	9	4
	£2,515,385	4	9

PROFIT AND LOSS ACCOUNT.

<i>Dr.</i>	
Amount of interest paid on deposit receipts and current accounts, &c.	£18,204 16 6
Total expenditure, including salaries, rent, taxes, stationery, solicitor's costs, repairs to premises, &c.	24,195 9 10
Income-tax paid	699 10 0
Balance, being net profit as above	53,701 3 10
	£96,801 0 2

<i>Cr.</i>	
Gross banking income for this year, after providing for rebate on current bills	£96,801 0 2
	£96,801 0 2

APPROPRIATION.

Dividend for the half-year ended 28th Feb. last, at the rate of 14 per cent. per annum, £21,000; dividend for half-year ending this date, at the rate of 15 per cent. per annum, £22,500	£43,500	0	0
Amount carried to bad and doubtful debt fund.. .. .	6,000	0	0
Amount carried to credit of bank premises	1,000	0	0
Do. do. superannuation fund	1,000	0	0
Balance unappropriated at this date	7,640	1	6
	£59,140	1	6

<i>Cr.</i>	
Balance brought down	£53,701 3 10
Unappropriated balance from last year, as above	5,438 17 8
	£59,140 1 6
Reserve fund	£200,000 0 0

ULSTER BANKING COMPANY.

REPORT of committee at the forty-first annual meeting of the proprietors, held at Belfast, 27th September, 1877, William J. C. Allen, Esq., in the chair.

The net profits of the past year, after writing off all bad, and making full provision for doubtful debts, amount to £61,032. 13s. 0d., which—with a sum of £610. 7s. 3d., derived from the sale of new shares not taken up by the allottees—added to £1,463. 15s. 6d., the undivided profits from the previous year, makes a total of £63,106. 15s. 8d. Dividends amounting to £50,000—being 20 per cent. for the year on the old paid-up capital—and interest amounting to £2,500 on the instalments on the newly issued shares—being at the rate of 5 per cent. per annum—have been paid to the proprietors; the usual provision has been made for interest on the superannuation fund; and a bonus of 10 per cent. on their

salaries has been presented to the officers of the bank, leaving a balance of £7,310. 19s. 5d. to be carried to the undivided profits' account. In conformity with the intimation in last year's report, 20,000 new shares have been issued to the shareholders at the price of £5 per share—that is to say, £2. 10s. on account of capital and £2. 10s. as premium to be added to the reserved fund; and, accordingly, the paid-up capital of the bank now stands at £300,000, and the reserved fund at £300,000. Under the authority of the resolution passed at the last general meeting, the directors, with the sanction of the committee, have set apart out of the funds of the bank a sum of £5,000 as the foundation of an "Officers' Guarantee Fund." The realization of some securities on advantageous terms enabled the directors to provide this sum without trenching on the ordinary profits of the year. Branches of the bank have been opened during the past year in Glenties and Larne.

August 31, 1877.

<i>Dr.</i>									
Capital paid up	..	..	..	..	..	..	..	£300,000	0 0
Reserve fund	..	..	..	..	..	..	..	300,000	0 0
Dividend guarantee fund ..	..	..	..	..	..	..	..	50,000	0 0
Superannuation fund ..	..	..	..	..	..	..	..	5,867	6 9
Deposits and credit accounts ..	..	..	..	..	..	..	..	3,574,132	13 9
Notes in circulation ..	..	..	..	..	..	..	..	734,549	7 6
Undivided profits ..	..	..	..	..	..	..	..	7,310	19 5
								<u>£4,971,860</u>	<u>7 5</u>

<i>Cr.</i>									
Government stock, Exchequer bonds, Indian, and other securities	..	..	..	..	..	..	..	£433,459	10 2
Cash on hands and balance with London bankers ..	..	..	..	..	..	..	..	844,312	17 6
Bills discounted, advances to customers, loans on securities, &c.	..	..	..	..	..	..	..	3,694,087	19 9
								<u>£4,971,860</u>	<u>7 5</u>

PROFIT AND LOSS.

<i>Dr.</i>									
Dividend paid in March last, at the rate of 20 per cent. per annum	..	..	..	..	..	..	..	£25,000	0 0
Dividend now payable at the rate of 20 per cent. per annum ..	..	..	..	..	..	..	..	25,000	0 0
Interest on instalments on new shares	..	..	..	..	..	..	..	2,500	0 0
Bonus of 10 per cent. to officers	..	..	..	..	..	..	..	3,010	0 0
Superannuation Fund	..	..	..	..	..	..	..	285	16 3
Undivided profits, carried forward	..	..	..	..	..	..	..	7,310	19 5
								<u>£63,106</u>	<u>15 8</u>

<i>Cr.</i>									
Undivided profits, from 31st August, 1876	..	..	..	..	..	..	..	£1,463	15 5
Premium on forfeited shares sold	..	..	..	..	..	..	..	610	7 3
Net profits for the year, after deducting rebate on bills current and interest due on deposits, and writing off all bad, and making full provision for doubtful debts	..	..	..	..	..	..	..	61,032	13 0
								<u>£63,106</u>	<u>15 8</u>

RESERVE FUND.

<i>Dr.</i>									
Prosent balance	..	..	..	..	..	..	..	£300,000	0 0

<i>Cr.</i>					
Balance as on 31st August, 1876	..	..	..	..	£250,000 0 0
Premium of £2. 10s. per share on issue of 20,000 new shares					50,000 0 0
					<u>£300,000 0 0</u>

It was resolved—1st. "That the report and statement of accounts be received and entered on the minutes, and that they, together with the proceedings of this meeting, be printed and circulated as usual." 2nd. "That the thanks of this meeting be tendered to the directors for their very able management of the bank during the past year." 3rd. "That the meeting desires to present its best thanks to the officers of the company for their devoted attention to the interests of the establishment." The ballot having been taken for a committee for the ensuing year, the following gentlemen were declared duly elected:—Joseph Bigger, Belfast; Samuel Kingan, Belfast; James Lee, Randalstown; Charles Duffin, Belfast; Daniel O'Rourke, Belfast; John Crawford, Larne; William Gillis, Markethill.

BANKING AND COMMERCIAL PERMANENT BENEFIT BUILDING SOCIETY.

REPORT and statement of accounts presented to the shareholders 30th July, 1877.

"In presenting the twelfth annual balance-sheet, the directors congratulate their fellow-members on the continued prosperity of the society. The number of unadvanced shares is 2,049, and the amount due to members thereon £28,732. 12s. 10d., showing a fair increase. The number of advanced shares is 3,312½, and the balance due thereon from borrowing members £41,500. 11s. 8d., including £8,795. 18s. 9d. prospective interest. The net profit of the year is £1,846. 2s. 6d., which, with the balance brought forward of £308. 4s. 1d., makes a total of £2,154. 6s. 7d. From this amount the directors have paid for interest on loans, and on withdrawn and paid-up shares £412. 14s. 2d.; and have credited members with the usual interest of 6 per cent. per annum to 30th June last, amounting to £1,317. 5s., leaving the balance of profit and loss new account, £424. 7s. 6d. This result the directors consider very satisfactory, in view of the exceptionally low rates of interest which have ruled during the past year. The directors retiring by rotation are Messrs. G. W. G. Oakley, D. G. H. Pollock, and J. Richardson, who, being eligible, again offer themselves for re-election. The auditors, Messrs. G. Derbyshire, and H. W. Smart, also retire, but again tender their services to the members. The directors appeal to the members for a continuance of their support in introducing good and substantial borrowers to the society."

Cash.

RECEIPTS.

<i>Dr.</i>					
Balance brought forward	..	..	..	..	£1,024 17 1
Subscriptions received on unadvanced shares	..	..	..	..	3,367 10 0
Do. on advanced shares	..	..	..	..	10,768 8 10
Sale of books	..	..	..	..	2 19 6
Fees and fines	..	..	..	..	179 5 4
Rent received for office, sublet	..	..	..	..	22 10 0
Surveyor's fees	..	..	..	..	22 2 0
Profit on redemption and interest on deposit account	..	..	..	..	163 9 8
Loans from bankers	..	..	..	..	7,200 0 0
Suspense account	..	..	..	..	157 0 10
					<u>£22,908 3 3</u>

DISBURSEMENTS.

<i>Cr.</i>				
Advances on mortgage to members	£12,343	11	4	
Subscriptions withdrawn and interest	2,797	11	4	
Loans repaid	5,200	0	0	
Interest on loans	17	8	3	
Rent of office	35	5	0	
Surveyor's account	42	10	6	
Secretaries' salaries	140	0	0	
Survey and other committee's fees	46	0	0	
Commission	26	10	0	
Sundry expenses, postages, &c.	25	7	11	
Gratuity to directors.. .. .	150	0	0	
Auditors	8	8	0	
Suspense account	40	6	2	
Balance in hand and at bankers	2,035	4	9	
	<u>£22,908</u>	<u>3</u>	<u>3</u>	

LIABILITIES AND ASSETS.

<i>Dr.</i>				
Members' subscriptions	£28,732	12	10	
Interest due on ditto	1,317	5	0	
Loans from bankers	3,700	0	0	
Suspense account	97	3	8	
Reserve fund	500	0	0	
Profit and loss.. .. .	424	7	5	
	<u>£34,771</u>	<u>8</u>	<u>11</u>	

<i>Cr.</i>				
Subscriptions receivable on advanced shares secured by mortgage	*£32,705	12	11	
Books and stationery	15	11	3	
Furniture	15	0	0	
Cash in hand and at bankers	2,035	4	9	
	<u>£34,771</u>	<u>8</u>	<u>11</u>	

PROFIT AND LOSS.

<i>Dr.</i>				
Current expenses—Proportion of rent, £5. 5s.; secretaries' salaries, £140; stationery, £18. 14s. 6d.; auditors' fees, £8. 8s.; sundries, £30. 7s. 11d.	£202	15	5	
Gratuity voted to directors for the year 1875-76	150	0	0	
Survey and other committee's fees	46	0	0	
Commission	26	10	0	
Interest on loans and withdrawals, including interest on paid-up shares to December 30, 1876	412	14	2	
Interest due to members at 6 per cent. per annum	1,317	5	0	
Balance carried forward	424	7	5	
	<u>£2,579</u>	<u>12</u>	<u>0</u>	

* This amount is exclusive of £2,795. 18s. 9d. rebate of interest, which item the registrar is of opinion should not appear in the "Liabilities and Assets" Accounts.

<i>Cr.</i>									
Balance..	..	..	..	..	..	..	..	..	£308 4 1
Fees and fines ..	..	..	..	..	..	..	..	..	201 2 6
Proportion of interest..	..	..	..	..	..	..	..	..	1,901 17 4
Profit on redemptions	..	..	..	..	..	..	..	..	159 2 2
Interest on deposit, &c., at bankers	..	..	..	..	..	..	..	..	9 5 11
									£2,579 12 0

The report was unanimously adopted, and after complimentary votes had been passed to the directors and other officers of the society the meeting terminated.

BIRKBECK BUILDING SOCIETY.

THE 26th annual meeting of the Birkbeck Building Society was held on Thursday (at the Birkbeck Literary and Scientific Institution, Southampton Buildings, Chancery Lane, London). The report which was presented to the meeting stated that the receipts for the year were £6,129,128, and the total from the commencement of the society £33,416,513. Notwithstanding the reduction of interest to $3\frac{1}{2}$ and $2\frac{1}{2}$ per cent., the deposits had risen from £1,929,965 to £2,120,823, or an increase of £190,857.

The gross profits earned by the society during the year were £106,017, upwards of £9,000 in excess of the previous year. Of this amount £83,230 has been appropriated to the payment of interest, discount, and expenses of management, leaving a net balance on the year's working of £22,787.

The surplus funds amounted last year to £1,365,061, of which £1,220,386 was invested in Government, Indian, and Metropolitan stocks, City of London and Colonial bonds, gas and water stocks and shares, freehold ground rents, and other readily convertible securities, and £144,674 remained at call in the hands of the bankers. At the present time the amount invested in convertible securities is £1,575,706 being an increase of £355,320, while the sum of £170,742 stands to the credit of the society at the bankers, being £26,068 more than last year. The total increase of the surplus funds is £381,387. The proportion of reserve to liabilities is now upwards of $77\frac{1}{2}$ per cent.

The total liabilities of the society are £2,263,719, and the assets £2,348,603, showing a net surplus of £84,884. Of this sum £33,750 is invested in consols as a permanent guarantee fund, leaving £51,134 to be carried forward. The number of investors and depositors at the close of the year was 38,427, being an increase of 2,525 since the last balance.

Communications.

To the Editor of the "Bankers' Magazine."

BANKING EXAMINATIONS.

Would you kindly state in your next issue, whether an examination has to be passed before entering the Oriental Bank Corporation, by one who has had experience in an English or Irish bank, and, if so, what are the subjects in which candidates are examined: also, whether the bank defrays the expense of a passage out. LOFTUS.

[We must refer our correspondent to the bank in question for the information which he requires.—ED. B. M.]

BANKING EXAMINATIONS.

Referring to the examinations in connection with "The Institute of Bankers in Scotland," and those on "The Gilbert Lectures," please say at what periods the respective examinations are held? If the questions and answers are published; and, if so, where they can be obtained?

Your obedient servant,

A SUBSCRIBER.

[We have printed from time to time all the information supplied to us with regard to these lectures. We believe the examinations take place early in the year. The questions of the Scotch Institute are published, not so those of the Gilbert Lectures. Application may be made to the Secretary of the Institute of Bankers in Scotland, Edinburgh, and to the Secretary, King's College, London, respectively.—ED. B. M.]

INSUFFICIENT STAMP BILL—ALTERATION OF BILL.

"A" draws a bill on "B" for £50 16s. upon a sixpenny bill stamp. This document, after being discounted by a banker, is discovered to be drawn on an insufficient stamp, and thereupon returned to the party, who erases the shillings altogether, and, in conjunction with the payee, initials the alterations, would this be valid? and if so, in case of renewals, might not the date be altered and initialled by both parties instead of using a fresh stamp?

A BANK ACCOUNTANT.

[See Section 54 of the Stamp Act, 1870. A penalty of £10 attaches in such a case, upon the issuing of the document "not being duly stamped." The alteration made is a material alteration, and the bill is bad.—Ed. (Law Dep.) B. M.]

RESTRICTED CONDITIONS IN CONNECTION WITH CHEQUES.

Will you be good enough to let me know if a cheque payable to bearer, but having a special endorsement, the banker would be justified in refusing to honor such cheque if "not endorsed?" and oblige.

P. M.

[The banker should—*ex abundanti cautela*—take notice of the restriction or condition, and see that it is complied with.—Ed. (Law Dep.) B. M.]

A FICTITIOUS ACCEPTOR.

John Smith draws a bill on T. Robinson, who is a fictitious person. J. S. gets it discounted at his bank, is he guilty of *forgery*, or should he be proceeded against for obtaining money under false pretences? I am of opinion the former.

J. H. HARSTON.

[This is really a question outside the proper limits of a banker's or of a commercial man's enquiries. A solicitor should be consulted.—Ed. (Law Dep.) B. M.]

STAMPS ON SETS OF BILLS.

I thank you for noticing my question, but I venture to think that in your answer you overlook Sec. 55 of the Stamp Act of 1870, which sets forth that one bill only out of a set need be stamped.

I may add, that since 1870, I have never seen a bill drawn in a set in England on a foreign town which has not borne the *ad valorem* duty on one of that set only. The object of my enquiry was to learn if a bill so drawn, but with the *ad valorem* duty portioned out among the set would be deemed duly stamped.

R. W. WILLIAMS.

[Your query was misunderstood. Bills so drawn, are, as to stamp duty, regulated by 17 & 18 Vic., cap. 83. If drawn singly, or otherwise than in a set of three or more, the duty is the same as an Inland bill for same amount, but if in a set of three or more the duty for each of the three one hundred pound bills is only 4d. No doubt Sec. 55 of the last Stamp Act provided, as you say, but it is only optional, and on the condition that the bills are not in any way negotiated apart from each other.—Ed. (Law Dep.) B. M.]

ENDORSEMENT BY MEANS OF AN INDIARUBBER STAMP.

May I ask the favour of your kindly informing me, whether if a cheque drawn by John Smith to Wm. Jones *or order*, and endorsed *not in own hand-writing*, but by means of an indiarubber stamp Wm. Jones (in *fac simile*) of Wm. Jones' signature), I ask would such an endorsement be correct; and would it be quite safe to pay the cheque, knowing that the signature was in *fac simile*. I note that the secretary and cashier of the Indian Famine Relief Fund endorse by means of a *fac simile* stamp of some sort.

H. J. W.

[The point has not been judicially decided. It would seem that the banker is relieved from responsibility. See a case in our August number, and see 16 and 17 Vict., cap. 59, s. 19. But we think he would not be protected in case of fraud, if he had no monies of the drawers in his hands at the time.—Ed. (Law Dep.) B. M.]

QUOTED RATES OF DISCOUNT.

SIR,—Can you kindly inform me what is the general rate of discount charged on Accommodation Paper, by London and Country Bankers respectively, when the Bank of England rate stands as low as 2 per cent., and if the rates quoted in the newspapers from time to time, have reference to this class of transactions?—Your obedient servant,

A SUBSCRIBER.

[We have no knowledge of the rate of discount for Accommodation Bills. No bank which is conducted with any regard to the principles on which business should be carried on, would ever admit such bills. The rates quoted in the newspapers have reference to good mercantile bills of exchange.—Ed. B. M.]

CHEQUES ON SCOTCH BANKS.

SIR,—The Scotch Banks are now sending all cheques they hold on English Country Banks to London for collection through the country clearing, but will not pay cheques on themselves through the same channel; compelling English Banks to send them to an agent in Scotland, and pay a commission for collecting them. Under these circumstances it appears to me that the Scotch Banks cannot claim to have unpaid cheques returned to them direct, as is the custom with English Banks, and that the proper course is for English Banks to return to London any unpaid cheques crossed to a Scotch Bank; which perhaps may induce them to enter into a reciprocal arrangement. Will you kindly favor us with your opinion on this point, and oblige, yours faithfully,

COUNTRY MANAGER.

[We hardly think the course proposed would secure the desired end. It might be possible to represent the case to the Scotch Banks.—Ed. B. M.]

BANKING INSTITUTES.

SIR,—I have read from time to time your able remarks on the subject of the higher qualifications of those engaged in banking, and I am glad to observe the increased interest which is being taken in the subject, judging from the correspondence which has lately appeared in your Magazine.

It seems, however, surprising, that while the press has ably advocated the subject, and the general body of clerks have shewn their willingness heartily to enter into it, still, those holding the most important positions in banking here, and to whom thousands to be so benefited, look for encouragement and substantial recognition of their labours, have as yet come forward with no practical suggestions on the subject. Is it that they have not sufficient interest in the prospects of those they employ to give the matter their serious consideration? or is it that they are not sufficiently impressed with the necessity for, or the benefits to be derived from, a higher standard of commercial education than that more generally to be met with in those employed in banking?

Both these reasons may, I think, be assigned as contributing to this silence on the part of bank managers in London, and, if so, I hope they have read Mr. Arthur Crump's late work entitled "*The English Manual of Banking*," or, at all events, those portions of it which refer to bank administration as lately criticised by you.

Banking is now no longer limited to the mere safe custody of the wealth of the rich and the savings of the poor; it has developed into a huge medium of exchange, and has, in a great measure, absorbed the business of the merchant. It is therefore necessary that those engaged in its direction should possess those varied acquirements which this altered state of commerce demands, if banking is to assert its place, or even retain its former respect and confidence in this country.

That both this respect and confidence have, of late years, been materially lessened many bankers will admit, and Mr. Crump has, in my opinion, assigned the real cause when he says that, *joint stock banks grow year by year, but think it superfluous to multiply and educate their managers and departmental managers.*

It may be argued against this that banking has reached its present dimensions by the ability and energy of these very men. I believe that this is not so, and that it has been mainly effected by those qualities in the trader.

If this is the case it is absolutely impossible for bankers to prevent themselves becoming the tools of the merchants, unless, as Mr. Crump argues, *they possess the practical experience obtained as a trader, or in a trader's office.*

It is, however, in the department of foreign banking where the superior ability and energy of the merchant, has, perhaps, exerted itself over the banker in the most marked degree, and it is to a knowledge of this that I, in a great measure, attribute that want of confidence in foreign banking which many evince, and to this cause also the many commercial disasters which have occurred of late years.

At the present moment banks engaged in foreign trade are, in many cases, merely a convenient mode of enabling merchants to conduct a business far beyond their legitimate capital, and so encourage speculation. They, for instance, buy bills representing so much cotton or wool, said to be of an equivalent or greater value, simply because they have faith in the merchant's knowledge of the goods, and ability to pay them at maturity; but as to the value of the goods which are represented by the documents, it is, I fear, not

unfrequently the case that there is little personal enquiry or ability to judge.

It may be said that to inspect every article of produce would so multiply labour as to necessitate the appointment of a much larger staff of officials, and thus decrease the dividends by the corresponding amount of salaries. It may also be said that such a system would reflect discredit on those who have hitherto upheld the high reputation of an English merchant.

The former of these arguments I would answer by alleging that a fractionally less dividend would be amply repaid by the greater confidence which would be accorded to foreign banking generally, and by the higher position which it would thereby assume. It would also increase its own business by offering the same advantages of trade to those who now suffer from the almost prohibitive rates at which their *bona fide* trade bills are negotiated, simply because their names are not so well known in the money market as are those of their longer established and more favoured friends. That it would tend to their discredit as well known names I do not see, or at all events such prejudices would only be of temporary duration.

By such a system, too, foreign banking has it in its power so to multiply its business as to almost dispense with the necessity for the merchant, especially when he acts simply as an agent, in which case he not unfrequently occupies the anomalous position of merely saving the banker the trouble of enquiring into the character of the native trader, and gaining a practical knowledge of produce.

For these reasons I consider that practical experience as a trader, or in a trader's office, is essential to the sound and successful development of foreign banking, and if a high standard of education has been found so successful in all the departments of our civil service, where routine is so generally recognised, how much more so is it required in a service growing daily to like proportions, regulating the wealth of Great Britain, and demanding the confidence of the public.

It is such feelings as these which have animated the managers of some of the Scotch banks in their admirable exertions for the higher education of their employes, whom it is to be hoped they regard as their successors in office. And it is in a commercial knowledge, and in something higher than mere routine, that they look to the public for a feeling of security, and to the nation for respect.

I remain, yours, &c.,

UNITAS VIS.

Notices of Books.

A Gold Standard for India without a Gold Coinage. By A. M. LINDSAY, Bank of Bengal, Akyab, British Burmah. Glasgow: JAMES MACLEHOSE, 1877.

MR. LINDSAY has been struck with the great disadvantage to India which the fact that the circulating medium in that country is silver, has proved to be in recent years. He recommends that there should be a gold standard without a gold currency, and in order to arrange for this he makes the following suggestion.

"If the English Government, instead of issuing sovereigns, granted £1 state notes on deposit of gold bars at the rate of £3. 17s. 10d. per oz. of gold, and engaged to reconvert these notes into gold bars on demand at the same rate at the office of issue, gold, which is at present required for inter-

nal as well as foreign payments, would be required only for the latter purpose. Much less would suffice, and the unnecessary excess stock might be devoted to the reduction of the National Debt."—Page 4.

This plan would establish a state issue of notes—but we fear that even with a Government as scrupulously honest in the performance of its duties as our own is, the result would be that an unduly small stock of gold would be kept, and that no sufficient reserve of the precious metals would be retained to meet the demands which might at any time be made on the reserve. When separated from a banking business an issue of notes is rarely, and can rarely be, profitable, except when conducted on terms which are not consistent with sound banking principles, and it could not be desirable to establish such a note circulation, even to prevent India from suffering from the great strain on her revenue which the recent drop in the price of silver has caused. We are glad, however, to see the subject taken up by any one engaged in business in the countries which possess a silver circulation. Mr. Lindsay will, we hope, continue to direct his attention to the matter, and he will, we trust, be able to develop some plan which may be of service to the finances and the well doing of India, by enabling that country to supply itself with a better standard of value than it now possesses, without proposing to substitute a state issue of notes in its place.

THE NEW POST-OFFICE ORDERS.

(From the "Scotsman.")

SIR,—From what has appeared in some of the newspapers, it seems that we are on the eve of a great revolution in the currency of the country. Bank notes, with which we have been so long familiar, are soon to be things of the past, and "the name of Lord John Manners is to be handed down to posterity in connection with the greatest currency scheme of the century." It would appear that the money of the future is to consist of Post-Office orders. These orders are now to be issued payable to the bearer on demand, and without advice.

Now, far be it from me to detract from the honour due to the man who has invented paper half-crowns, and rendered the further coinage of silver almost unnecessary, but I think that in this innovation there is a principle which should not be overlooked, as it may lead to something of greater importance. I have therefore taken the liberty of calling the attention of your readers to the legal aspects of the proposed change.

The first point to be noticed is that these orders are payable to the bearer on demand. It is true that the formality of the last holder signing his name requires to be gone through before the order can be cashed. But that does not alter the fact that to all intents and purposes they are payable to the bearer on demand.

Now a bank note is defined in the Bank Acts as "a promise to pay a sum of money to the bearer on demand," and therefore those Acts which have been passed for the regulation of the issue of bank notes will also apply to those new Post-Office orders.

An Act passed in the reign of George IV. declares all promises to pay money to the bearer on demand for sums under £1 sterling to be illegal. Then the Bank Act of 1844 provides that no corporation, company, or person who at the time of the passing of said Act did not issue bank notes,

shall in future be allowed to issue them. Now if it is illegal for a tradesman or even a bank to issue such notes, it is also illegal for the Postmaster-General to do so. If from these orders requiring the signature of the bearer before being paid they avoid the letter of the laws above referred to, although quite contrary to the spirit of them, then it seems to me that the vexed question of banking monopoly in Scotland has been solved by the Postmaster-General, and a new bank may be started here at once, using for its notes the form proposed for the new orders, and this it may do without requiring to keep a reserve of coin to secure the convertibility of said notes. I hope that bankers and others interested will take up the subject, and see that the Postmaster-General confines his attention to his own department, without trespassing on the rights and privileges of others.—I am, &c.

A MEMBER OF THE INSTITUTE OF SCOTCH BANKERS.

Monthly Notes.

THE Chartered Bank of India, Australia, and China, has declared an interim dividend for the half-year ended 30th June, at the rate of 6 per cent. per annum, free of income tax.

The Chartered Mercantile Bank of India, London, and China, reports there is a net profit for the six months ended 30th June, of £64,167, out of which the interim dividend at the rate of 8 per cent. per annum, absorbs £30,000, leaving the balance to be dealt with at the end of the year. The liabilities include £3,630,031 on deposits, and £4,807,883 on bills payable, note circulation, &c.

The Oriental Bank Corporation, at the meeting, declared a dividend at the rate of 10 per cent. per annum, absorbing £75,000 out of a half-year's profit of £80,897. The chairman stated that the bank had to contend against unusual stagnation, augmented by the famine and the war.

The directors of the Birmingham Joint-Stock Bank (Limited) have decided in view of the increased business of the bank, to extend the capital by the issue of the unallotted shares, to be distributed in the proportion of one share in five to the proprietors on the register on the 1st of November, and allotting the remainder among present and prospective customers. This operation will place the bank's paid-up capital at £300,000, and the guarantee fund at £400,000. A bonus of £1 per share will be distributed to the shareholders in part payment of their allotment in the new capital.

The report of the Standard Bank of British South Africa recommends a dividend at the rate of 10 per cent. per annum, and a bonus of 1 per cent., being together at the rate of 12 per cent. per annum for the half-year ended June 30th last. It further recommends an extra bonus of 1 per cent., and that £5,000 be appropriated to the formation of a pension and guarantee fund for the officers of the bank. The dividend will thus be at the rate of 14 per cent., against 12 per cent. at this time last year, and 10 per cent. in October, 1875.

The majority of the Congressional Silver Commission have reported to the United States Senate in favour of the full restoration of the double standard gold and silver currency, and the unlimited coinage of both. They further recommend that the Government should have the right of paying bonds in gold or silver, and believe that a resumption of specie payments will be impracticable unless the double standard currency is restored.

The embarrassments of the Bank at Stettin, whose failure was announced recently, are stated to date from ten years back, when the two managing directors first began to discount doubtful bills. This operation being diligently continued ever since, the bank soon became involved in dangerous transactions, to conceal which fresh credit had to be given to doubtful debtors. The Council of Directors was entirely kept in the dark, and it was only owing to the searching inquiries of a newly-elected member of the Board that the melancholy discovery was made. It was then found that the bank, with a capital of 9,000,000 marks, and deposits of 20,000,000, had discounted bills to the amount of 40,000,000, one half of which would require to be prolonged on falling due. The principal creditors of the bank are the Berlin and Stettin Railway Company, the Pomeranian Estates, the Pomeranian Sugar Refinery, the Schwedt Fire Insurance Company, the Gera Bank, the Vulcan Ship-building Company, the Baltic Lloyd, &c.

The *Journal de St. Petersbourg* states that the new issue of paper money amounts to 209 millions, 153 millions of which have been devoted to the war.

MONTHLY CHRONOLOGY.

Oct. 3.—The Imperial Bank of Germany has raised its rate of discount to $5\frac{1}{2}$ per cent., and its rate of interest on advances to $6\frac{1}{2}$ per cent.

4.—Tenders for £3,000,000 Treasury bills were opened at the Bank of England. The applications were for bills at three months, £2,795,000; and for bills at six months, £4,213,300. Tenders for bills at three months at £99. 2s. 6d., and for bills at six months, at £98. 6s. receive in full. No allotments were made below these prices.

The Bank of England advanced its rate of discount to 4 per cent.

9.—The tenders for £3,000,000 Indian Four per Cent. Debentures were opened at the Bank of England. The applications amounted to £4,273,000. Tenders at £101. 3s. per cent. will receive about 4 per cent. of the amount applied for. Those above that price in full.

11.—The Bank directors have further advanced their rate of discount to 5 per cent.

13.—The following Indian Famine telegram, was received at the India Office from the Viceroy:—"Season telegram, 4th to 11th of October:—Madras.—Moderate rain general everywhere; prospects of standing crops favourable."

The Belgian Banque Nationale has raised its rate of discount from $2\frac{1}{2}$ per cent to $3\frac{1}{2}$ per cent.

19.—The Indian Famine Fund, which for the last nine weeks has been in course of collection at the Mansion House, amounts to the sum of £401,000.

20.—The Turkish army in Armenia has met with a great defeat at the battle of the Aladja Dagh.

OBITUARY.

We regret to record the death of Mr. Michael Joseph Power, for many years Manager in Tralee, and subsequently secretary in London of the National Bank.

BANKING MOVEMENTS.

THE London and County Bank has opened a branch at 4 Bank Buildings, Upper Norwood, under the management of Mr. R. J. Gray.

The Comptoir d'Escompte de Paris notify that their offices will be removed to 52, Threadneedle-street, on and after the 8th October. Temporarily all business connected with the conversion of the Egyptian Debt will be conducted at 144 Leadenhall-street, as formerly.

We understand that Messrs. Richard Chamberlain and James Tertius Collins have joined the Board of the Birmingham Banking Company (Limited).

MERCANTILE EMBARRASMENTS.

THE suspension is announced of the Ritterschaftliche Private Bank in Stettin, with heavy liabilities. According to the accounts published for September 30, bank and deposit notes figured for £1,670; deposits at interest, £457,700; and liabilities to various institutions and individuals, £403,500.

Monetary Review.

THE Bank of England was compelled, by the exigency of the foreign demand for gold, to again raise its rate of discount early in the month another 1 per cent., thus bringing its minimum point up to 4 per cent.

Not alone had the German Government withdrawals been resumed as had been expected, but the United States and Egypt were helping to diminish the store which the Bank could ill afford to part with, especially at a period when home demands were coming into play.

The Bank's return to the 3rd October showed a total loss of coin during the week amounting to upwards of £800,000 and a cash reserve below 10 millions. This statement fully explained that the action of the directors in raising the rate could not have been delayed under the circumstances. Although the money market was kept well supplied with floating capital, sent there as the most readily available means of employment whilst awaiting the realisation of higher expectations, the outside rates hardened prior to the 4th, and afterwards followed the Bank at a rise of 1 per cent., doubts being at the same time entertained whether, looking to the smallness of the reserve, and the probability of its being further trenched upon by fresh withdrawals of gold, another move upwards would not soon have to be made by that establishment. It seems hardly necessary to mention that this pressure and raising of the rate was in no way the result of an increased inquiry for money on

mercantile account, but, at the risk of repetition, it must be noted that the drain of gold was the point of difficulty alone to be solved, and it has become a matter of grave consideration as to the extent it may be necessary to go to in order to cope with this difficulty. In India, the value of money continued to rise, notwithstanding its having already reached an enorous rate there. The Imperial Bank of Germany raised its rate of discount in order to protect its supply of gold, which found an outlet into Russia and elsewhere, whilst the French and American exchanges were indicative of withdrawals thence of gold. With the cash reserve at the Bank reduced below 10 millions, and the probability of further withdrawals taking place, the maximum rate certainly did not appear to be touched when 4 per cent. was announced. The outside rates responded at once to the movement of the Bank, for, though the supply of money in the market was ample, the disposition to lend was in favour of short loan transactions in accordance with the expectations entertained of dearer money becoming the rule. The allotment of three millions of Treasury bills took place early in the month; the applications for three months' bills reached nearly the whole amount offered, and of four months' bills over four millions were applied for, $3\frac{1}{2}$ per cent. being the highest rate paid by the Government on this occasion, whilst three months ago $2\frac{1}{4}$ per cent. was the maximum.

The Foreign Exchanges were tardy in responding to the rise of the rate of discount here, and the Bank's 4 per cent. did not succeed in attracting supplies of gold, whilst the autumnal demands, both for home and foreign purposes, still remained to be dealt with. The supply of gold required by the Scotch and Irish Banks, under the compulsory clauses of the Act of 1845, to meet the periodical expansion of their note circulation, would not, under ordinary circumstances, form an important factor in the consideration of the case, partaking, as it does, very much of the character of a shifting of ballast, but, when such ballast is in extra demand for other purposes, the supply of it being at the same time limited, this temporary depletion then becomes a matter of some consequence in the general situation.

On Thursday, the 10th of October, the Bank directors decided to again raise their minimum rate 1 per cent., thus bringing it up to 5 per cent.

The prompt action of the Bank of England was followed by the money-brokers and discount houses, and the market rate for best three months' bills reached $4\frac{1}{2}$ per cent.—a feature of the period being that six months' bills were done at lower rates than those of shorter dates. The foreign Exchanges also yielded to this further effort of the Bank, and it seemed probable that the exchange at Paris, which is the only quarter to which we can look for any important influx, would reach the gold point; this, however, has not come to pass, but on the other hand the Bank has not been subject to any further considerable efflux.

The market rates for money have since fallen away here, whilst in some of the continental cities rates continue to rise. It is far from certain that the Bank may not be forced to go higher, when a greater anomaly as between its rate and the market rate would become apparent, and the difficulties of bankers and money-brokers in adjusting their rates paid for borrowed money as against those they can obtain for lending, will become more expressed. This difficulty has already compelled the brokers to reduce the rates they allow for money, whilst the hardship upon the bankers, in following the Bank's movements and raising their rates of allowance on deposits, remains.

The Stock markets were affected early in the month by the rise which took place in the value of money. When it became known that the efflux of gold from the Bank was resumed, and that the directors had found it necessary, consequently, to put up the rate of discount another 1 per cent., Consols receded, though Foreign stocks remained in a position to be more acted upon by the movements of the operators on the Paris Bourse. The rise which occurred in Egyptian stocks, however, formed an independent feature, probably due to a turn taking place in the action of speculators in those particular stocks. Later on in the month, when it became necessary to put the Bank rate up to 5 per cent., and the prospect of dear money prevailed, a pretty general fall ensued, though the depression was much more pronounced in some of the foreign stocks than it was in other things—Hungarian, Austrian, Russian and United States being amongst those which marked the greatest fall. An uneasy feeling existed in financial quarters in Germany, where the Stettin Bank had failed, with heavy liabilities, and the Imperial Bank had raised its rates for money.

Consols advanced, in the face of dearer money. English Railway stocks also maintained firmness, and, when it appeared that the measures taken by the Bank directors had stayed the withdrawals of gold, an easier feeling came about and prices generally improved. The Russian victory in Armenia likewise helped to restore the prices of Russian and kindred stocks. Colonial government securities have maintained their character for steadiness, whilst Joint Stock Bank shares have in some cases improved.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to the **Proprietors, Waterlow & Sons Limited, 25, Great Winchester Street, London**, who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received.

BANKERS' CLEARING-HOUSE RETURNS.

FOR THE QUARTER, JULY TO SEPTEMBER, 1877

LONDON.			MANCHESTER.		
		£			£
July 5	Thursday	16,030,000	July 2	Monday	384,000
6	Friday	17,110,000	3	Tuesday	315,000
7	Saturday	15,240,000	4	Wednesday	444,000
9	Monday	16,805,000	5	Thursday	280,000
10	Tuesday	16,333,000	6	Friday	281,000
11	Wednesday	15,263,000	7	Saturday	385,000
		96,781,000			2,089,000
July 12	Thursday	14,588,000	July 9	Monday	280,000
13	Friday	32,736,000	10	Tuesday	190,000
14	Saturday	17,536,000	11	Wednesday	327,000
16	Monday	18,399,000	12	Thursday	263,000
17	Tuesday	16,038,000	13	Friday	242,000
18	Wednesday	16,163,000	14	Saturday	378,000
		115,460,000			1,680,000
July 19	Thursday	13,123,000	July 16	Monday	302,000
20	Friday	14,618,000	17	Tuesday	176,000
21	Saturday	14,661,000	18	Wednesday	252,000
23	Monday	13,069,000	19	Thursday	200,000
24	Tuesday	14,354,000	20	Friday	268,000
25	Wednesday	12,121,000	21	Saturday	281,000
		81,946,000			1,479,000
July 26	Thursday	12,567,000	July 23	Monday	214,000
27	Friday	13,060,000	24	Tuesday	162,000
28	Saturday	13,910,000	25	Wednesday	254,000
30	Monday	13,064,000	26	Thursday	198,000
31	Tuesday	34,026,000	27	Friday	347,000
Aug. 1	Wednesday	17,268,000	28	Saturday	476,000
		103,895,000			1,651,000
Aug. 2	Thursday	17,547,000	July 30	Monday	313,000
3	Friday	14,550,000	31	Tuesday	232,000
4	Saturday	20,865,000	Aug. 1	Wednesday	406,000
6	Monday	Holiday.	2	Thursday	248,000
7	Tuesday	18,233,000	3	Friday	285,000
8	Wednesday	14,362,000	4	Saturday	359,000
		85,557,000			1,843,000
Aug. 9	Thursday	13,891,000	Aug. 6	Monday	Holiday.
10	Friday	14,887,000	7	Tuesday	355,000
11	Saturday	13,364,000	8	Wednesday	390,000
13	Monday	13,751,000	9	Thursday	261,000
14	Tuesday	13,956,000	10	Friday	296,000
15	Wednesday	28,060,000	11	Saturday	331,000
		97,908,000			1,633,000
Forward ..		581,548,000	Forward ..		10,375,000

LONDON.

		£
Brought forward		581,548,000
Aug. 16	Thursday	£14,426,000
17	Friday	14,939,000
18	Saturday	14,556,000
20	Monday	13,723,000
21	Tuesday	14,333,000
22	Wednesday	12,069,000
		84,046,000
Aug. 23	Thursday	12,322,000
24	Friday	14,289,000
25	Saturday	14,725,000
27	Monday	11,835,000
28	Tuesday	12,665,000
29	Wednesday	14,894,000
		80,730,000
Aug. 30	Thursday	29,418,000
31	Friday	16,381,000
Sep. 1	Saturday	18,604,000
3	Monday	19,528,000
4	Tuesday	18,410,000
5	Wednesday	14,050,000
		116,391,000
Sep. 6	Thursday	11,825,000
7	Friday	12,939,000
8	Saturday	15,160,000
10	Monday	13,083,000
11	Tuesday	13,205,000
12	Wednesday	11,656,000
		77,868,000
Sep. 13	Thursday	26,877,000
14	Friday	15,879,000
15	Saturday	16,832,000
17	Monday	13,175,000
18	Tuesday	13,144,000
19	Wednesday	13,676,000
		99,583,000
Sep. 20	Thursday	11,205,000
21	Friday	12,238,000
22	Saturday	12,977,000
24	Monday	12,082,000
25	Tuesday	12,009,000
26	Wednesday	11,006,000
		71,517,000
Sep. 27	Thursday	11,223,000
28	Friday	27,623,000
29	Saturday	17,911,000
Oct. 1	Monday	18,350,000
2	Tuesday	16,313,000
3	Wednesday	17,980,000
		109,400,000
		1,221,083,000

MANCHESTER.

		£
Brought forward		10,375,000
Aug. 13	Monday	£246,000
14	Tuesday	196,000
15	Wednesday	315,000
16	Thursday	204,000
17	Friday	270,000
18	Saturday	303,000
		1,534,000
Aug. 20	Monday	188,000
21	Tuesday	140,000
22	Wednesday	209,000
23	Thursday	166,000
24	Friday	263,000
25	Saturday	285,000
		1,251,000
Aug. 27	Monday	190,000
28	Tuesday	166,000
29	Wednesday	286,000
30	Thursday	221,000
31	Friday	394,000
Sep. 1	Saturday	569,000
		1,825,000
Sep. 3	Monday	396,000
4	Tuesday	262,000
5	Wednesday	404,000
6	Thursday	250,000
7	Friday	275,000
8	Saturday	324,000
		1,911,000
Sep. 10	Monday	272,000
11	Tuesday	185,000
12	Wednesday	274,000
13	Thursday	161,000
14	Friday	303,000
15	Saturday	307,000
		1,502,000
Sep. 17	Monday	234,000
18	Tuesday	185,000
19	Wednesday	240,000
20	Thursday	175,000
21	Friday	237,000
22	Saturday	261,000
		1,332,000
Sep. 24	Monday	203,000
25	Tuesday	168,000
26	Wednesday	255,000
27	Thursday	178,000
28	Friday	412,000
29	Saturday	559,000
		1,775,000
		21,505,000

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1877.	£	£	%	£	£	£
Jan. 3	28,622,775	27,533,430	96	15,969,162	19,582,320	6,203,440
10	28,302,820	27,351,155	96	18,766,486	17,516,675	4,373,157
17	28,037,420	26,484,920	94	18,267,876	17,676,106	3,955,536
24	27,638,950	26,319,380	95	17,317,876	17,762,841	4,101,623
31	27,592,885	26,650,241	97	16,367,876	17,732,917	4,837,165
Feb. 7	27,814,430	25,624,520	92	16,001,441	17,787,156	5,613,338
14	27,641,435	25,690,545	93	16,001,441	17,818,123	6,632,609
21	27,177,240	25,824,255	95	16,026,176	17,576,949	6,857,731
28	27,216,605	26,010,290	96	16,026,176	19,071,302	7,215,293
Mar. 7	27,347,790	25,510,299	93	15,988,176	19,049,118	8,295,675
14	27,058,190	25,554,275	94	15,998,532	19,103,570	8,695,941
21	26,961,195	25,495,540	94	16,002,035	19,344,179	8,883,936
28	27,982,640	26,742,035	92	15,502,035	23,766,279	11,530,029
April 4	28,412,165	25,283,790	89	15,308,096	22,854,102	9,916,041
11	28,566,345	25,081,145	88	15,319,338	19,514,925	6,835,131
18	28,415,030	25,175,295	88	15,329,901	19,490,216	6,457,402
25	28,386,390	24,835,320	88	15,329,901	19,269,702	6,473,216
May 2	29,077,985	24,228,650	83	15,340,207	20,482,345	6,315,550
9	28,546,885	23,972,650	84	15,348,494	19,646,733	6,638,594
16	28,479,010	23,981,900	84	15,364,904	19,365,162	6,577,403
23	28,065,055	24,000,705	85	15,364,904	19,347,395	6,415,539
30	27,955,420	24,021,990	86	15,334,904	19,082,728	6,523,808
June 6	28,035,185	24,444,240	87	15,214,859	19,379,635	7,243,548
13	27,729,660	24,832,340	89	15,214,859	18,663,592	7,914,651
20	27,406,290	25,693,950	94	15,214,859	18,444,770	8,133,581
27	27,994,045	25,910,475	93	15,214,859	18,510,050	8,760,469
July 4	28,774,340	26,076,865	90	14,989,321	20,429,201	5,727,684
11	28,767,460	26,746,945	93	16,089,088	18,289,670	3,761,325
18	28,598,090	26,776,435	94	15,889,088	18,249,551	5,351,334
25	28,460,275	26,246,585	92	14,989,088	18,179,006	4,904,907
Aug. 1	28,758,360	25,936,465	90	15,240,605	18,445,792	5,369,654
8	28,898,755	25,358,950	88	14,990,554	18,027,819	5,276,390
15	28,546,860	24,692,600	86	14,990,554	18,271,813	4,604,066
22	28,203,210	24,423,960	87	14,990,554	18,196,144	4,295,440
29	27,900,545	24,193,255	87	14,910,568	18,519,555	4,302,420
Sept. 5	28,159,635	24,008,215	85	14,374,568	19,601,321	4,315,084
12	27,706,770	23,620,050	85	14,174,568	19,907,660	4,509,919
19	27,533,275	23,683,045	86	14,121,093	19,684,015	4,879,243
26	27,393,950	23,451,095	86	14,121,093	19,582,952	5,274,794
Oct. 3	28,760,025	22,749,815	79	15,093,662	19,629,110	5,026,591
10	28,357,190	22,115,915	78	15,718,604	19,064,149	5,039,600
17	28,304,500	21,922,440	77	15,718,604	18,575,244	5,147,500

For the corresponding statement, from January to October, 1876, see page 343 of "The Banking Almanac" for 1877.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount.
1877.	£	£	£	£	%	
Jan. 3	25,936,786	328,619	32,468,845	14,591,390	45	2
10	25,385,591	381,955	33,140,703	14,694,912	44	—
17	28,086,715	349,136	32,391,387	14,317,794	44	—
24	27,365,718	331,834	31,799,175	14,591,076	46	—
31	25,146,245	315,669	30,299,079	14,057,356	46	—
Feb. 7	23,520,174	329,031	29,462,543	13,562,473	46	—
14	22,890,468	297,860	29,820,937	13,896,824	47	—
21	23,162,710	280,370	30,290,811	14,581,064	48	—
28	24,039,409	268,794	31,513,496	14,704,822	47	—
Mar. 7	22,235,162	302,062	30,832,899	14,086,465	45	—
14	22,289,135	264,315	31,249,391	14,441,048	46	—
21	22,264,911	267,221	31,416,068	14,375,131	45	—
28	22,615,486	304,262	34,449,777	13,481,652	39	—
April 4	22,215,615	300,812	32,432,468	12,572,518	39	—
11	22,430,616	367,973	29,633,720	12,418,314	42	—
18	23,190,134	329,403	29,976,939	12,779,964	43	—
25	22,477,887	318,512	29,269,615	12,294,320	42	—
May 2	22,480,099	337,059	29,132,708	10,926,636	37	3
9	21,682,317	344,820	28,665,731	11,290,854	39	—
16	21,703,571	333,520	28,614,494	11,514,653	40	—
23	22,167,827	288,726	28,872,092	11,789,442	40	—
30	22,141,497	254,898	28,920,203	12,053,767	41	—
June 6	21,702,873	253,096	29,199,517	12,189,816	41	—
13	21,188,081	269,761	29,322,493	13,031,796	44	—
20	21,888,742	257,035	30,279,358	14,209,534	47	—
27	20,967,739	241,753	31,959,961	13,832,353	43	—
July 4	24,694,691	286,179	30,908,554	13,174,000	43	2½
11	26,371,322	309,859	30,442,506	13,911,797	46	2
18	24,632,345	305,975	30,289,654	14,031,602	46	—
25	23,659,007	288,053	28,851,967	13,569,230	47	—
Aug. 1	23,079,821	313,426	28,762,901	12,983,171	45	—
8	21,649,789	361,151	27,278,330	12,172,803	45	—
15	22,462,403	340,925	27,407,394	12,060,017	44	—
22	22,771,398	327,893	27,394,731	12,119,949	44	—
29	23,013,944	346,463	27,662,827	12,128,674	44	3*
Sept. 5	22,716,354	426,058	27,457,496	11,722,513	43	—
12	22,730,442	374,156	27,614,517	11,778,581	42	—
19	22,224,951	341,599	27,445,793	11,899,404	43	—
26	21,736,577	327,519	27,338,890	11,895,267	44	—
Oct. 3	20,805,934	360,814	26,193,339	9,721,173	37	4
10	21,177,375	359,655	26,576,630	9,431,126	35	5
17	20,829,635	350,353	26,127,488	9,478,439	36	—

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

* The Bank Rate of Discount was raised to 3 per cent. on Tuesday, 26th August.

PUBLIC INCOME AND EXPENDITURE.

The following are the receipts into and payments out of the Exchequer between April 1, 1877, and October 13, 1877:—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1877-78.	Total Receipts into the Exche- quer from April 1, 1877, to Oct. 13, 1877.	Total Receipts into the Exche- quer from April 1, 1876, to Oct. 13, 1876.
Balance, April 1, 1877.	£	£	£
Bank of England	—	4,815,797	3,826,896
Bank of Ireland	—	1,172,853	1,292,691
		5,988,650	5,119,587
REVENUE.			
Customs	19,850,000	10,294,000	10,393,000
Excise	27,500,000	13,085,000	13,296,000
Stamps	10,920,000	5,759,000	5,746,000
Land Tax & House Duty	2,560,000	664,000	564,000
Property and Income Tax	5,540,000	1,472,000	1,080,000
Post Office	6,100,000	3,706,000	3,517,000
Telegraph Service	1,300,000	755,000	730,000
Crown Lands	410,000	165,000	165,000
Interest on advances for Local Works and on Purchase Money of Suez Canal Shares	949,000	506,808	399,424
Miscellaneous	4,017,000	1,925,601	2,072,298
Revenue	79,146,000	38,332,409	37,962,722
Total, including balance		44,321,059	43,082,309
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)		—	700,000
Advances under various Acts, repaid to Exchequer		727,474	756,779
Money raised for Fortifications & Military Barracks		500,000	500,000
Ditto Local Loans, by Exchequer Bonds		—	1,000,000
Ditto ditto Treasury Bills ..		4,485,000	—
Temporary Advances not repaid		1,900,000	2,100,000
Totals	£	51,933,533	48,132,088

EXPENDITURE AND OTHER PAYMENTS.

EXPENDITURE.	Estimate for the Financial Year 1877-78.	Total Issues out of Exchequer to meet Payments from April 1, 1877, to Oct. 13, 1877.	Total Issues out of Exchequer to meet payments from April 1, 1876, to Oct. 13, 1876.
	£	£	£
Permanent charge of Debt	*28,000,000	18,119,913	18,244,939
Interest on Temporary Loans for Local Works, and Interest, &c., on Ex- chequer Bonds (Suez)	*420,000	218,382	135,375
Other charges on Consolidated Fund	*1,600,000	882,005	1,062,550
Supply Services	†49,125,000	25,411,764	24,984,090
Estimate	79,145,000		
Expenditure		44,632,064	44,426,954
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		2,119,095	2,213,120
Expenses of Fortifications and Military Barracks ..		500,000	250,000
Exchequer Bills paid off		7,900	81,400
Treasury Bills ditto		2,915,000	—
		50,174,059	46,971,474
Balances on October 13, 1877:—			
Bank of England		1,572,077	880,110
Bank of Ireland		187,397	287,504
Totals	£	51,933,533	48,132,088

BANK OF FRANCE.

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DEBTOR.

	Sept. 27.		Oct. 4.		Oct. 11.		Oct. 18.	
	Fr.	C.	Fr.	C.	Fr.	C.	Fr.	C.
Capital of the Bank ...	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54
Reserve of the Bank and its branches ...	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14
Reserve of landed property ...	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Special Reserve ...	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Notes in circulation ...	2,369,069,040	0	2,403,650,160	0	2,417,454,875	0	2,440,533,920	0
Bank-notes to order and receipts payable at sight ...	62,856,937	63	62,102,348	0	62,688,540	65	62,804,280	36
Treasury account current, creditor ...	204,980,831	70	189,749,497	22	183,461,551	74	182,783,298	37
Current accounts, Paris Do., branch banks ...	416,437,852	74	379,027,464	55	368,079,286	36	391,096,987	20
Dividends payable ...	45,145,641	0	41,989,101	0	40,111,398	0	40,563,369	0
Interest on securities transferred or deposited ...	1,732,146	0	1,656,237	0	1,571,611	0	1,482,310	0
Discounts and sundry interests ...	3,677,214	7	7,063,505	85	5,271,255	53	4,474,536	80
Re-discounted the last six months ...	3,573,022	60	3,889,156	95	4,153,804	5	4,675,727	20
Bills not disposable ...	1,271,342	98	1,271,342	98	1,271,342	98	1,271,342	98
Reserve for eventual losses on prolonged bills ...	2,506,921	1	2,563,271	8	5,106,643	95	2,069,095	96
Sundries ...	6,897,164	82	6,897,164	82	6,897,164	82	6,897,164	82
	14,830,308	53	20,233,428	52	16,881,379	74	16,813,027	46
Total ...	3,361,566,484	81	3,348,699,741	65	3,341,555,906	50	3,384,066,113	83

CREDITOR.

	Sept. 27.		Oct. 4.		Oct. 11.		Oct. 18.	
	Fr.	C.	Fr.	C.	Fr.	C.	Fr.	C.
Cash in hand and in branch banks ...	2,212,574,340	3	2,183,111,655	94	2,164,879,273	61	2,147,550,064	87
Commercial bills overdue ...	127,679	10	181,939	12	967,402	62	166,282	10
Commercial bills discounted, not yet due ...	154,978,782	23	159,696,776	26	167,738,374	41	163,935,078	58
Treasury bonds ...	310,775,000	0	310,775,000	0	310,775,000	0	310,775,000	0
Commercial bills, branch banks ...	242,838,871	0	244,111,104	0	252,756,107	0	287,650,720	0
Advances on deposits of bullion ...	18,197,700	0	19,460,900	0	19,105,800	0	18,939,200	0
Do. in branch banks ...	5,413,200	0	5,484,200	0	5,353,100	0	5,247,900	0
Do. in French public securities ...	38,406,600	0	38,679,100	0	39,565,400	0	40,066,600	0
Do. by branch banks ...	25,863,300	0	26,372,600	0	26,511,100	0	26,850,000	0
Do. on railway shares and debentures ...	20,779,100	0	21,027,100	0	21,537,200	0	21,872,700	0
Do. by branch banks ...	16,230,600	0	16,632,700	0	16,668,200	0	17,014,700	0
Do. on Crédit Foncier bonds ...	1,540,700	0	1,528,700	0	1,547,600	0	1,580,800	0
Do. branches ...	954,400	0	966,900	0	962,600	0	968,200	0
Do. to the State (Convention June 10, 1857) ...	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0
Government stock reserve ...	13,980,750	14	13,980,750	14	13,980,750	14	13,980,750	14
Do. disposable ...	81,988,823	79	81,988,823	79	81,988,823	79	81,988,823	79
Rentes Immobilières (Law of June 9, 1857) ...	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
Hotel and furniture of the Bank, and landed property of branches ...	9,232,184	0	9,232,184	0	9,236,184	0	9,236,318	0
Expenses of management ...	2,809,331	72	3,127,880	44	3,223,379	3	3,415,703	5
Employ of the Special Reserve ...	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Sundries ...	34,065,122	80	31,479,527	96	33,730,612	0	31,821,463	20
Total ...	3,361,566,484	81	3,348,699,741	65	3,341,555,906	50	3,384,066,113	83

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 33, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1877. Sept. 28.	1877. Oct. 3.	1877. Oct. 10.	1877. Oct. 17.
Notes issued	£ 38,451,095	£ 37,740,615	£ 37,115,915	£ 36,923,440
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion	23,451,095	22,740,615	22,115,915	21,523,440
Silver bullion				
	38,451,095	37,740,615	37,115,915	36,923,440

BANKING DEPARTMENT.

	1877. Sept. 28.	1877. Oct. 3.	1877. Oct. 10.	1877. Oct. 17.
Proprietors' capital	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve	3,707,412	3,697,906	3,694,949	3,691,799
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts)... ..	5,374,794	5,036,591	5,039,600	5,147,500
Other deposits	21,736,577	20,806,934	21,177,375	20,639,635
Seven day and other bills	327,519	360,814	369,665	360,363
	45,599,302	44,443,945	44,213,879	43,772,267
Government Securities	14,121,093	15,093,862	15,718,804	15,718,804
Other Securities	19,592,963	19,639,110	19,064,149	18,575,244
Notes... ..	11,057,145	8,989,580	8,768,735	8,617,940
Gold and Silver coin	838,112	731,583	672,401	860,499
	45,599,302	44,443,945	44,213,879	43,772,267

THE EXCHANGES.

London on—	Sept. 28.	Oct. 5.	Oct. 12.	Oct. 19.
Amsterdam, short	12 3	12 3	12 3	12 3½
Ditto 3 months	12 4½	12 4½	12 5	12 5
Rotterdam, ditto	12 4½	12 4½	12 5	12 5
Antwerp and Brussels, ditto	25 42½	25 42½	25 47½	25 50
Paris, short	25 25	25 25	25 30	25 27½
Ditto 3 months	25 35	25 37½	25 45	25 43½
Marseilles, ditto	25 35	25 37½	25 47½	25 50
Hamburg, ditto	20 73	20 75	20 77	20 77
Berlin, ditto	20 73	20 75	20 77	20 77
Leipsic, ditto	20 73	20 75	20 77	20 77
Frankfort-on-the-Main, ditto	20 73	20 75	20 77	20 77
Petersburgh, ditto	23½	23½	23½	23½
Copenhagen, ditto	18 55	18 60	18 65	18 60
Vienna, ditto	12 10	12 10	12 32½	12 23½
Trieste, ditto	12 10	12 10	12 33½	12 23½
Zurich and Basle, ditto	25 40	25 40	25 42½	25 42½
Madrid, ditto	46½	46½	46½	46½
Cadix, ditto	47½	47½	47½	47½
Seville, ditto	47½	47½	47½	47½
Barcelona, ditto	47½	47½	47½	47½
Malaga, ditto	47½	47½	47½	47½
Granada, ditto	47½	47½	47½	47½
Santander, ditto	47½	47½	47½	47½
Bilboa, ditto	47½	47½	47½	47½
Zaragoza, ditto	47½	47½	47½	47½
Genoa, Milan, Leghorn, ditto	28 7½	28 10	28 12½	28 10
Venice, ditto	28 7½	28 10	28 12½	28 10
Naples, ditto	28 7½	28 10	28 12½	28 10
Palermo and Messina, ditto	28 7½	28 10	28 12½	28 10
Lisbon, 90 days	51½	51½	51½	51½
Oporto, ditto	52	51½	51½	51½
Rio Janeiro, 60 days	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 9½	3 17 10	3 17 9½	3 17 9
Mexican Dollars	0 4 5½	0 4 6	0 0 0	0 4 5½
Silver in Bars (Standard)	0 4 7	0 4 7½	0 4 6½	0 4 6½

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
"	207 Private Banks	5,153,407
"	72 Joint Stock Banks	3,495,446
Scotland—	12 Joint Stock Banks	8,087,209
Ireland—	6 Joint Stock Banks	6,854,494
		<u>£32,090,556</u>

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£475,000
1861—July 10th	175,000
1866—Feb. 21st	350,000
	<u>1,000,000</u>
	<u>£33,090,556</u>

Deduct Lapsed Issues—

England—	*91 Private Banks	£1,434,261
"	20 Joint Stock Banks	907,895
Scotland—	1 Joint Stock Bank, combining two issues, namely:—	
	Ayrshire Bank	£53,656
	Western Bank of Scotland	284,282
		<u>337,938</u>
		<u>2,680,094</u>
		<u>£30,410,462</u>

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
"	*110 Private Banks	3,719,146
"	52 Joint Stock Banks	2,587,551
Scotland—	†11 Joint Stock Banks	2,749,271
Ireland—	6 Joint Stock Banks	6,854,494
		<u>£30,410,462</u>

*NOTE.—The number of Private Banks authorized to issue their own notes

in England, by the Act of 1844, was	207
Diminished in number by amalgamation	6
Lapsed Issues	91
	<u>97</u>
	<u>110</u>

† The number of Banks authorized to issue their own notes in Scotland, by the Act of 1845, was

Diminished in number by amalgamation	6
Lapsed Issues, as stated above	2
	<u>11</u>

ENGLISH FUNDS.

	Price on Oct. 19.	Highest.	Lowest.	Price on Sept. 21.
Consols	96	96	95	95½
Exchequer Bills	8/ dis.	5/ pm.	10/ dis.	..

Bank Rate of Discount 5 per cent.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Sept. 8.	Sept. 15.	Sept. 22.	Sept. 29.
1 Ashford Bank	£ 11,849	£ 11,069	£ 11,170	£ 11,521	£ 11,988
2 Aylesbury Old Bank	48,461	19,510	17,827	17,742	18,025
3 Baldock and Biggleswade Bank	37,223	18,371	18,726	19,351	19,490
4 Barnstaple Bank	17,182	8,500	3,690	4,114	4,080
5 Bedford Bank	34,218	25,932	26,845	27,689	29,329
6 Bicester and Oxfordshire Bank	27,090	13,151	13,235	13,890	13,670
7 Boston Bank—Garfit and Co.	75,069	44,166	43,903	46,410	49,290
8 Broseley and Bridgnorth Bank	26,717	10,215	10,765	10,766	10,828
9 Buckingham Bank	29,657	17,943	17,784	17,507	17,019
10 Bury and Suffolk Bank	82,862	82,140	82,582	83,284	84,720
11 Banbury Bank	43,457	19,934	19,783	20,698	21,566
12 Banbury Old Bank	55,153	17,493	18,045	17,991	18,281
13 Bedfordshire Leighton Buzzard Bk. .	86,829	31,031	30,332	30,286	30,498
14 Brecon Old Bank	68,271	27,785	28,384	28,731	30,114
15 Brighton Union Bank	38,794	18,900	18,527	19,428	20,522
16 Burlington and Driffield Bank	12,745	11,091	10,844	11,045	11,449
17 Bury St. Edmunds Bank	8,201	1,918	2,370	2,342	1,954
18 Cambridge Bank—Mortlock & Co. .	25,744	10,754	10,462	10,348	11,315
19 Cambridge and Cambridgeshire Bank	49,916	36,964	39,695	43,998	46,740
20 Canterbury Bank	33,671	15,898	16,044	16,630	17,406
21 Colchester Bank	25,082	10,288	10,316	10,285	11,117
22 Colchester and Essex Bank	48,704	23,026	23,592	24,811	25,101
23 Cornish Bank	49,869	23,350	24,281	24,404	25,231
24 City Bank, Exeter	21,527	11,726	11,977	12,691	13,465
25 Craven Bank—Birkbeck and Co.	77,154	74,887	76,190	76,581	75,565
26 Derby Bank—Smith & Co.	41,304	22,654	23,262	22,829	26,575
27 Devizes and Wiltshire Bank	20,674	8,885	8,968	4,159	4,880
28 Darlington Bank	86,218	81,994	83,923	84,147	82,662
29 Devonport Bank	10,664	3,880	4,081	4,667	5,194
30 Dorchester Old Bank	48,807	34,552	34,386	34,720	34,832
31 East Cornwall Bank	112,280	83,128	86,258	86,801	86,575
32 East Riding Bank	53,892	52,120	52,369	52,928	52,071
33 Essex Bk. and Bishop's Stortford Bk.	69,637	35,491	35,443	35,161	36,675
34 Exeter Bank	37,894	15,196	14,776	14,940	14,973
35 Farnham Bank	14,202	5,610	5,875	5,914	6,124
36 Faversham Bank	6,581	3,999	3,997	4,876	5,631
37 Godalming Bank	6,323	5,676	5,780	5,855	6,346
38 Guildford Bank	14,524	9,763	10,082	9,882	10,067
39 Grantham Bank—Hardy and Co.	30,372	12,994	13,631	14,521	15,248
40 Hull and Kingston-upon-Hull Bank. .	19,979	18,492	19,330	18,229	17,500
41 Huntingdon Town and County Bank	56,591	17,941	19,325	20,882	21,661
42 Harwich Bank	5,778	4,259	3,899	4,030	4,336
43 Hertfordshire, Hitchin Bank	33,764	28,066	27,316	27,214	23,240
44 Ipswich Bank	21,901	15,840	15,163	14,944	15,623
45 Ipswich and Needham Market Bank .	80,699	42,632	42,869	43,211	45,629
46 Kentish Bank—Mercers and Co.	19,895	14,694	14,784	13,927	14,525
47 Kingston and Radnorshire Bank	26,050	18,991	19,391	21,900	23,996
48 Knaresborough Old Bank	21,825	15,964	16,353	16,542	16,043
49 Kendal Bank	44,663	41,186	42,050	42,517	42,474
50 Leeds Bank	130,757	110,471	108,899	109,231	111,780
51 Leeds Union Bank	37,459	82,071	82,600	84,875	85,789

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Sept. 8.	Sept. 15.	Sept. 22.	Sept. 29
	£	£	£	£	£
52 Leicester Bank.....	32,322	21,461	22,575	22,869	24,231
53 Lewes Old Bank	44,886	18,956	18,429	18,785	19,293
54 Lincoln Bank	100,842	81,364	82,032	82,445	85,125
55 Llandoverly Bank and Llandilo Bank	32,945	16,304	17,661	20,056	21,066
56 Loughborough Bank	7,359	6,647	5,944	6,154	6,801
57 Lynton Bank	5,038	2,397	2,155	2,110	2,119
58 Lynn Regis and Lincolnshire Bank..	42,817	25,491	26,196	26,645	29,180
59 Lynn Regis and Norfolk Bank	13,917	10,103	10,163	10,750	11,167
60 Macclesfield Bank	15,760	8,422	8,400	8,748	9,153
61 Miners' Bank	18,688	13,553	13,023	13,524	14,468
62 Monmouth Old Bank	16,385	1,968	1,913	1,818	1,984
63 Newark Bank.....	23,788	5,146	4,439	3,927	4,594
64 Newark and Sleaford Bank	51,615	30,749	32,247	32,605	34,583
65 Newbury Bank	36,787	11,317	11,214	11,227	11,605
66 Newmarket Bank.....	23,098	12,343	12,576	12,538	12,407
67 Norwich and Norfolk Bank	105,519	72,986	73,198	73,053	83,394
68 Naval Bank, Plymouth	27,321	21,150	21,085	21,330	21,317
69 New Sarum Bank—Pinckney Bros...	15,659	8,640	8,530	8,528	8,816
70 Nottingham Bank	31,047	31,610	31,518	30,669	28,863
71 Oswestry Bank	18,471	6,400	6,802	7,142	7,578
72 Oxford Old Bank	84,891	24,030	24,225	23,861	25,017
73 Old Bank, Tonbridge	13,183	10,458	10,600	10,609	11,083
74 Oxfordshire Witney Bank	11,852	5,381	5,475	5,461	5,810
75 Pease's Old Bank, Hull	43,807	43,225	47,616	48,445	49,570
76 Penzance Bank.....	11,405	8,014	7,935	8,057	8,458
77 Reading Bank—Simonds and Co.....	37,519	20,280	20,647	21,067	21,614
78 Reading Bk.—Stephens, Blandy & Co.	43,271	23,917	24,300	24,450	25,868
79 Richmond Bank, Yorkshire	6,889	5,960	6,155	6,275	6,571
80 Royston Bank	16,393	6,810	7,031	7,142	7,060
81 Rye Bank	29,864	7,742	7,383	7,058	7,280
82 Saffron Walden and North Essex Bk.	47,646	17,117	17,257	17,362	17,503
83 Salop Bank	22,338	3,495	3,457	3,409	3,777
84 Seaborough Old Bank	24,813	24,616	24,087	24,122	24,351
85 Shrewsbury Old Bank.....	43,191	20,653	21,231	21,128	22,089
86 Sittingbourne and Milton Bank	4,789	1,168	1,223	1,296	1,379
87 Southampton Town and County Bank	25,359	7,280	6,982	6,617	6,982
88 Stamford and Rutland Bank	31,858	9,557	9,677	9,913	10,165
89 Shrewsbury and Welchpool Bank....	25,336	15,943	16,382	17,780	17,506
90 Tavistock Bank	13,421	11,152	12,363	12,286	12,825
91 Thornbury Bank	10,026	5,397	6,060	6,211	6,332
92 Tiverton and Devonshire Bank.....	13,470	4,750	4,904	4,761	5,213
93 Thrapstone and Kettering Bank	11,559	10,165	10,186	10,549	10,565
94 Tring Bank and Chesham Bank	13,581	11,327	11,566	11,699	11,765
95 Towcester Old Bank	10,801	5,156	4,887	4,696	4,886
96 Union Bank, Cornwall	17,003	3,502	3,658	4,035	4,320
97 Uxbridge Old Bank.....	25,136	5,922	5,635	5,234	5,468
98 Wallingford Bank.....	17,064	3,449	2,999	3,004	3,144
99 Warwick and Warwickshire Bank ..	30,504	21,779	23,677	23,973	22,080
100 Wellington Somerset Bank	6,528	3,623	4,313	3,985	3,946
101 West Riding Bank	46,158	38,482	38,863	38,448	39,690
102 Whitby Old Bank.....	14,258	10,072	9,917	9,839	9,837
103 Winchester, Alresford and Alton Bk.	25,892	8,363	8,145	8,438	8,670
104 Weymouth Old Bank	16,461	10,930	10,517	10,318	10,247
105 Wisbech and Lincolnshire Bank	59,713	25,810	27,318	31,049	34,506
106 Wivelscombe Bank	7,602	1,372	1,360	1,433	1,536
107 Worcester Old Bank	37,443	38,330	38,966	39,448	41,321
108 Yarmouth and Suffolk Bank	53,060	31,079	35,022	36,587	37,931
109 Yarmouth, Norfolk, and Suffolk Bank	13,229	7,659	8,673	7,917	8,489
110 York Bank.....	46,387	28,676	28,301	27,593	27,593

JOINT STOCK BANKS.

NAME OF BANK.	Author- ised Issue.	AVERAGE AMOUNT.			
		Sept. 8.	Sept. 15.	Sept. 22.	Sept. 29.
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	10,410	10,688	10,466	10,795
2 Barnsley Banking Company.....	9,563	8,825	8,600	8,421	8,226
3 Bradford Banking Company	49,292	47,270	46,866	47,158	47,011
4 Bank of Whitehaven	32,681	24,000	23,570	23,673	24,301
5 Bradford Commercial Banking Co. .	20,084	20,260	20,047	20,122	19,516
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	36,631	35,677	35,497	37,756
7 Chesterfield & N. Derbyshire Bk. Co..	10,421	9,415	9,309	9,920	10,577
8 Cumberland Union Banking Co.....	35,395	33,242	33,054	32,764	33,148
9 Coventry and Warwickshire Bk. Co...	23,734	13,602	13,250	13,965	14,260
10 Coventry Union Banking Company ..	16,251	13,285	14,572	14,829	14,688
11 County of Gloucester Banking Co.....	144,352	78,483	79,435	79,865	82,058
12 Carlisle and Cumberland Banking Co.	25,610	24,366	24,045	24,680	24,277
13 Carlisle City and District Bank	19,972	19,638	20,441	19,724	19,284
14 County of Stafford Bank	9,418	6,967	7,125	6,935	6,605
15 Derby and Derbyshire Banking Co. .	20,093	18,939	17,649	17,077	18,331
16 Darlington District Joint Stock Bk. Co.	26,184	23,420	23,362	24,294	24,360
17 Gloucestershire Banking Company ..	155,920	131,366	132,580	132,668	137,933
18 Halifax Joint Stock Bank.....	13,534	18,024	18,156	17,430	17,485
19 Huddersfield Banking Company.....	37,354	36,196	36,934	37,609	36,692
20 Hull Banking Company	29,333	30,698	29,248	29,052	27,847
21 Halifax Commercial Banking Co.	13,733	11,245	11,334	11,818	12,184
22 Halifax and Huddersfield Union Bank	44,137	27,675	27,328	27,510	29,169
23 Knaresborough and Claro Banking Co.	28,069	25,538	25,355	25,566	26,060
24 Lancaster Banking Company	64,311	55,108	54,975	54,482	54,237
25 Leicestershire Banking Company	86,060	57,053	57,297	57,809	59,705
26 Lincoln and Lindsey Banking Co.....	51,620	44,524	46,125	48,325	52,390
27 Leamington Priors and Warwickshire Banking Company	13,875	11,821	11,807	11,429	11,220
28 Ludlow and Tenbury Bank	10,215	8,872	10,312	10,465	10,505
29 Moore and Robinson's Notts. Bkg. Co.	35,813	35,393	34,803	34,517	34,803
30 Nottingham and Notts. Banking Co...	29,477	27,661	26,844	27,636	28,500
31 Northamptonshire Union Bank	84,356	55,853	56,324	57,436	58,502
32 Northamptonshire Banking Company	26,401	15,838	16,200	16,782	17,487
33 North and South Wales Bank.....	63,951	58,043	61,393	64,522	60,665
34 Pares's Leicestershire Banking Co. .	59,300	48,972	49,627	50,330	52,553
35 Sheffield Banking Company	35,843	27,990	27,720	27,121	27,820
36 Stamford, Spalding & Boston Bk. Co.	55,721	40,714	44,702	48,944	51,971
37 Stuckey's Banking Company	356,976	295,939	293,727	298,397	309,700
38 Stourbridge & Kidderminster Bkg. Co.	56,880	41,858	41,595	41,736	42,492
39 Sheffield and Hallamshire Bkg. Co. .	23,524	23,378	23,519	22,985	23,353
40 Sheffield & Rotherham Joint Stock Bk.	52,496	44,648	44,201	44,202	44,765
41 Swaledale and Wensleydale Bkg. Co. .	54,372	43,674	43,246	45,265	45,665
42 Wolverhampton and Staffordshire Bk.	35,378	15,398	14,580	14,659	15,082
43 Wakefield and Barnsley Union Bank..	14,604	18,035	18,261	13,154	13,920
44 Whitehaven Joint Stock Bkg. Co.	31,916	25,815	26,486	26,649	26,783
45 West of Eng. & S. Wales District Bk.	83,535	69,510	69,642	70,657	72,837
46 Wilts and Dorset Banking Company..	76,162	73,866	75,151	76,125	73,937
47 West Riding Union Banking Company	34,029	32,165	32,745	33,612	33,485
48 Whitchurch and Ellesmere Bk. Co. .	7,475	3,986	4,161	4,339	4,606
49 Worcester City and County Bk. Co. .	6,848	1,150	1,750	1,475	1,808
50 York Union Banking Co.....	71,240	67,464	67,150	68,155	67,355
51 York City and County Banking Co. .	94,695	89,360	89,065	92,042	91,957
52 Yorkshire Banking Company	122,532	114,238	116,267	117,939	118,323

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 29th September, 1877.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland	3,738,428	1,904,400	1,174,925	3,079,325	562,738
Provincial Bank of Ireland	927,667	502,570	390,837	893,407	366,916
Belfast Bank	281,611	202,262	264,725	466,988	323,069
Northern Bank	243,440	212,728	286,508	499,231	381,872
Ulster Bank	311,079	895,383	369,243	764,582	619,467
The National Bank	852,269	927,576	600,958	1,528,534	978,519
TOTALS (Irish Banks).....	6,854,494	4,144,874	3,087,191	7,232,067	8,237,581

SCOTCH BANKS.

Bank of Scotland	343,418	214,769	468,012	682,780	440,160
Royal Bank of Scotland	216,451	244,746	467,447	712,193	608,272
British Linen Company	438,024	161,678	877,007	538,685	198,646
Commercial Bank of Scotland..	374,880	229,562	554,181	783,693	534,988
National Bank of Scotland	297,024	181,341	423,201	604,543	407,268
Union Bank of Scotland	454,846	248,585	518,440	767,025	444,896
Aberdeen Town & County Bank	70,133	100,481	125,452	225,934	179,864
North of Scotland Banking Co.	154,319	170,545	181,397	351,942	232,471
Clydesdale Banking Company..	274,321	192,947	351,756	544,703	343,445
City of Glasgow Bank	72,921	223,387	413,608	636,990	634,454
Caledonian Banking Company .	53,484	41,751	81,696	123,448	85,342
TOTALS (Scotch Banks)....	2,749,271	2,009,792	3,962,142	5,971,936	4,109,836

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING SEPTEMBER 29th, 1877.**

	Fixed Issues.	Sept. 8.	Sept. 15.	Sept. 22.	Sept. 29.
	£	£	£	£	£
110 Private Banks	3,719,146	2,213,789	2,245,084	2,279,818	2,348,936
52 Joint-Stock Banks	2,587,551	2,112,874	2,122,315	2,152,682	2,188,490
162 Totals	6,306,697	4,326,613	4,367,399	4,432,500	4,537,416

Average Weekly Circulation of these Banks for the month ending Sept. 29, 1877:—

Private Banks	£2,271,894
Joint-Stock Banks	£2,144,088

Average Weekly Circulation of Private and Joint-Stock Banks, ending as above £4,415,982

On comparing these amounts with the Returns for the month ending Sept. 1st last, they show:—

An increase in the notes of Private Banks, of	£54,513
An increase in the notes of Joint-Stock Banks, of	85,890

Total increase on the month £90,403

And, as compared with the month ending Sept. 30, 1876:—

A decrease in the notes of Private Banks, of	£106,674
A decrease in the notes of Joint-Stock Banks, of	56,436

Total decrease as compared with the same period of last year £163,110

The following is the comparative state of the circulation as regards the fixed issues:—

The Private Banks are below their fixed issues	£1,447,252
The Joint-Stock Banks are below their fixed issues	443,463

Total below their fixed issues £1,890,715

SUMMARY OF IRISH AND SCOTCH RETURNS TO SEPTEMBER 29th, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

Average Circulation of the Irish Banks	£7,282,067
Average Circulation of the Scotch Banks	5,971,936

Total Average Circulation of these Banks for the past month £13,254,003

On comparing these amounts with the Returns for the month ending 1st Sept. last, they show—

Increase in the Circulation of Irish Banks	£268,617
Increase in the Circulation of Scotch Banks	93,480

Total increase on the month.. .. . £362,097

And as compared with the month ending Sept. 30, 1876, they show—

Decrease in the Circulation of Irish Banks	£38,455
Decrease in the Circulation of Scotch Banks	12,161

Total decrease as compared with the same period of last year £45,616

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	£6,854,494
11 Banks in Scotland, allowed to issue	..	..	..	..	2,749,271
17 Banks in all, allowed to issue	..	..	..	..	£9,108,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	£877,578
Scotch Banks are above their fixed issue	..	..	..	..	3,222,665

Total above the fixed issue	..	..	..	..	£4,100,238
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	£23,287,581
Gold and Silver held by the Scotch Banks	..	..	..	..	4,109,806

Total of Gold and Silver Coin	..	..	..	..	£7,847,387
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Being an increase of £176,929 on the part of the Irish Banks, and an increase of £15,898 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO SEPTEMBER 29th, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	Sept. 29.	Sept. 1.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 26th Sept.)	27,698,407	28,301,452	..	608,045
Private Banks	2,271,894	2,217,381	54,513	..
Joint-Stock Banks	2,144,088	2,108,198	35,890	..
Total in England	32,114,389	32,627,031	90,403	608,045
Scotland	5,971,936	5,878,456	93,480	..
Ireland	7,282,067	6,963,450	268,617	..
United Kingdom	45,818,392	45,468,987	452,500	608,045

The comparison of the month ending Sept. 30th, 1876, with the month ending Sept. 29th, 1877, shows a decrease in the Bank of England circulation of £258,262, a decrease in Private Banks of £106,674, and a decrease in Joint-Stock Banks of £56,486, being a total decrease in England of £416,362, while in Scotland there is a decrease of £12,161; and in Ireland a decrease of £28,455. Thus showing that the month ending the 29th Sept., as compared with the same period last year, presents a decrease of £416,362 in England, and a decrease of £461,978 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending Sept. 26th gives an average amount in both departments of £24,522,846. On a comparison of this with the Return for the previous month, there appears to be a decrease of £914,428; and a decrease of £10,191,931 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending Sept. 29th, was £7,347,387; being an increase of £192,822, as compared with the Return of the previous month, and a decrease of £138,197, as compared with the corresponding period of last year.

Dividend payable.	Last Dividend per Ann.	Share	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	10½
Feb. Aug.	6 "	25	Alliance, Limited	10	13
Jan. July	"	200fl.	Anglo-Austrian	130fl.	
Mar. Sep.	10 p. ct.	20	Anglo-Californian, Limited	10	
May Nov.	"	20	Anglo-Egyptian Banking, Limited	all	11½
April Oct.	4 p. ct.	20	Anglo-Foreign Banking, Limited	10	
"	"	100fl.	Anglo-Hungarian	all	
Feb. Aug.	5 "	20	Anglo-Italian, 1866, Limited	10	
Mar. Sep.	12½ "	40	Bank of Australasia	all	81½
April Oct.	7 "	20	Bank of British Columbia	all	
"	7 "	20	Ditto New, issued at £2 pm.	10	
Jan. July	6 "	10	Bank of Constantinople	6	
Feb. Aug.	10 "	25	Bank of Egypt	all	
"	12 "	Stk.	Bank of Ireland	100	
Jun. Dec.	5 "	20	Bank of Roumania	8	
Jan. July	10 "	25	Bank of South Australia	all	
April Oct.	12 "	50	Bank of Victoria, Australia	25	
May Nov.	15 "	10	Bank of New Zealand	all	26½
"	5 "	50	British North American	all	
Feb. Aug.	8 "	10	Central of London, Limited	5	
April Oct.	8 "	20	Chartered of India, Australia, and China	all	22½
"	8 "	25	Chartered Merc. of India, London and China	all	27½
Jan. July	10 "	20	City	10	16½
"	14 "	100	Colonial	30	
April Oct.	5 "	6	Commercial Bank of Alexandria, Limited	3	
Jan. July	10 "	10	Consolidated, Limited	4	7½
April Oct.	4½ "	25	Delhi and London, Limited	all	
May Nov.	10 "	20	English Bank of Rio de Janeiro, Limited	10	12½
Feb. Aug.	8 "	20	English, Scottish, and Australian Chartered	all	
"	"	"	Franco-Egyptian, issued at 5 pm.	10	
Mar. Sep.	6 "	28½	Hong Kong and Shanghai Bank Corporation	all	34½
Jan. July	6 "	50	Imperial, Limited	15	
"	"	20	Imperial Ottoman	10	
April Oct.	8 "	25	Ionian	all	
"	8 "	25	Ditto, New	10	
May Nov.	2/ "	20	Land Mortgage Bank of India, Limited	5	
Jan. July	5 p. ct.	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	
Mar. Sep.	"	10	London Bank of Mexico & South America, Lim.	5	3½
Jun. Dec.	8 "	20	London Chartered of Australia	all	26½
Feb. Aug.	16 "	50	London and County	20	63½
Jan. July	15 "	50	London Joint Stock	15	49½
Feb. Aug.	12½ "	10	London and Provincial, Limited	5	12½
Jun. Dec.	5 "	100	London and River Plate, Limited	40	
"	5 "	25	Ditto, New	10	8½
Mar. Sep.	8 "	10	London and San Francisco, Limited	all	
Feb. Aug.	8 "	100	London and South Western, Limited	20	27½
"	14 "	100	London and Westminster	20	64
April Oct.	"	20	Mercantile Bank of the River Plate, Limited	all	1½
Mar. Sep.	8 "	100	Merchant, Limited	25	
Jan. July	8 "	10	Metropolitan A } B receives no dividend until {	all	
"	"	10	Ditto B } 10 per ct. has been paid to A {	all	
"	8 "	10	Ditto New, A	1½	
Feb. Aug.	8 "	100	Midland, Limited	20	
"	13 "	50	National	30	
Jun. Dec.	12½ "	5	National of Australasia	4	
Feb. Aug.	6/13/4 p. ct.	25	National of Liverpool, Limited	15	
Jan. July	6 "	30	National of New Zealand, Limited	34	44
Jun. Dec.	20 "	50	National Provincial of England	21	
"	30 "	20	Ditto, ditto	12	53
"	30 "	20	Ditto, New, 1874, iss. at £10 prem.	12	
April Oct.	6 "	20	New London and Brazilian, Limited	10	8½
May Nov.	17½ "	20	New South Wales	all	
Feb. Aug.	4/3/4 "	20	North Eastern, Lim., iss. at 2 pm., already paid	6	
Feb. Aug.	8 "	24	North Western	7½	
April Oct.	10 "	25	Oriental Bank Corporation	all	45½
Jan. July	15 "	100	Provincial of Ireland	25	
"	15 "	10	Ditto, New	all	
May Nov.	12 "	100	Standard of British South Africa, Limited	25	41½
"	"	100	Ditto ditto New, 8,662 shares issued	all	38
Jan. July	16 "	25	Union of Australia	all	
"	15 "	50	Union of London	15½	41½

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

DECEMBER, 1877.

THE RATE OF INTEREST ON DEPOSITS.

THERE have appeared in the *Economist* newspaper of October 27th and November 10th two letters,—one signed by “A Banker,” and the other by “A Bill Broker,”—on the subject of the necessity for some change in the manner of fixing the rate to be allowed in London on deposits with bankers and bill brokers, which have attracted a good deal of attention. This was the case because these letters expressed a widespread feeling, that it is desirable for the banks who receive deposits to be guided as to the rate of interest they allow on them by the rate of interest current at the time in the market. Hitherto it has not been the custom of bankers and bill brokers to settle among themselves the rate of interest which they were willing to allow on their deposits; but they have followed the minimum rate of discount fixed by the bank, and have placed their own rates proportionally below it. The bankers in this case, the bank rate being 5 per cent., fixing their deposit rates at call and short notice in the first instance at $3\frac{1}{2}$ and 4 per cent., and the bill brokers for the same dates at 4 and $4\frac{1}{2}$ per cent.

But in the course of a very few days it became obvious that neither the bankers nor the bill brokers could properly on this occasion follow the bank rate so closely. It has hitherto been the custom to do this because the Bank of England has, as a rule, worked so thoroughly in harmony with the money market, in the matter of the rate, that its lead could be implicitly accepted as the true guide to the value of money. But at this time the old custom could no longer be followed. The rate of the Bank of England was exceptionally high, it had been

compelled to raise its rate to 5 per cent. because the demands on its reserve had reduced the available supply of cash to such a point that it became necessary to the bank to raise the rate of discount in order to protect its reserve. But the demand on the bank being for bullion and not a demand which affected in any way the requirements of the market, it was one which the outside market could not respond to, and hence it was impossible for the banks and bill brokers to keep up to it. The position which the Bank of England holds as the guardian and custodian of the only important reserve of ready cash in the country is one which requires the exercise of the most watchful intelligence on its part, whenever that reserve is reduced to an undesirable low point. In former days, besides being the holder of the principal cash reserve, the Bank of England was also the principal lender of money in the country, and it held accordingly an undoubted supremacy over the money market. Thirty years ago, and even twenty years ago, the amount of the deposits of the joint stock banks in London was but trifling, and the influence they exerted on the money market was small in proportion. Now the aggregate amount of the deposits held by the joint stock banks far overpasses the amount held by the Bank of England, and the resources at their immediate disposal are very considerably greater than those which are wielded by the bank. Still, while this state of things has gradually grown up, there has been no alteration whatever in the method in which the ultimate reserve of the London banks has been kept. It is lodged with the Bank of England, and forms a very considerable part of its deposits.

The average amount of the London bankers' balances kept with the Bank of England has been as follows for the last six years—

1871	...	...	...	...	£8,400,000
1872	...	...	...	...	7,600,000
1873	...	...	...	...	8,500,000
1874	...	...	...	...	8,341,000
1875	...	...	...	...	10,324,000
1876	...	...	...	...	11,851,000

And as the corresponding averages of its total deposits for the same period were in—

1871	...	...	...	...	£28,400,000
1872	...	...	...	...	28,800,000
1873	...	...	...	...	28,500,000
1874	...	...	...	...	25,099,000
1875	...	...	...	...	26,413,000
1876	...	...	...	...	30,497,000

it is clear, at a glance, how large and important a proportion the balances of the London bankers have become of the resources of the Bank of England. But if the Bank of England is no longer able to regulate the outside market by the rate which it charges—if the “market rate” happens to be in such a position as it would have been recently if fixed by the mercantile demand for money, at 3 per cent. or $3\frac{1}{2}$ at the most, while the “bank rate,” as fixed by the demand for bullion, was placed at 5 per cent.—it is clear that a fresh danger, and that by no means an unimportant one, is opening before the English money market.

The danger is this, that the demands on the reserve of the bank will, in this case, be no longer regulated by the “bank rate” but by the “market rate.” In former years if any one wanted gold for export and had to obtain money for that purpose he was unable to do so except at the bank rate. If the bank rate was high this checked the demand, and the bank was able to protect its reserve. But if the market rate is much below the bank rate, if it stands at 3 per cent. or $3\frac{1}{2}$ per cent. when the bank rate is 5 per cent., it is, for the purposes of the influence on the reserve, very much the same thing as if the bank rate stood at the lower figure; for the person who wants gold for export will merely have to go to his own bankers, or to any bill broker, get his bills discounted at the market rate, place the draft he receives for the proceeds with his banker, obtain Bank of England notes from them, and then take those notes to the bank to be exchanged for gold. In time the demand on the market would, if sufficiently brisk, beyond any doubt, bring the outside rate up to the market rate. But the immediate check which, in the old state of things, the bank was able to impose on the demand for gold will be greatly impaired, if it will not be destroyed under the new circumstances.

And yet it is difficult to suggest a remedy for this state of things. It is obviously impossible for any bank to go on allowing a higher rate for its deposits than that which it can charge for its discounts, as was actually the case shortly after the Bank of England raised its rate of discount to 5 per cent. on the 10th October. It was actually possible for a short time to raise money by discounting bills at $3\frac{1}{2}$ per cent. and place it on deposit with a joint stock bank at 4 per cent. This, of course, could not go on for any great length of time. At such a period a bank loses on the whole of its deposits, and such a state of things obviously cannot continue long. Again, there is always a risk lest, at such a time, the managers and directors of a bank may have recourse to inferior securities, on which they can

obtain a higher rate of interest than the market rate on first class bills, in order to diminish, or prevent the immediate loss which they must otherwise suffer. But such business cannot have any satisfactory result in the long run.

We look forward with interest, and not without some anxiety, to see what the termination of the present state of matters will be. It is quite possible that the highest rate for the year may have been reached, though a demand for bullion for export seems not unlikely to spring up; meanwhile there seems but little likelihood of any mercantile demand arising to bring the market rate up to the level of the bank rate, and therefore there is every reason to urge the bankers and bill brokers to adopt the proposal of fixing their own rate, irrespective of the bank rate. The force of the arguments in favour of this course induced the joint-stock banks of the Metropolis to lower their rates on deposits on November 9th to $3\frac{1}{2}$ per cent., while the Bank of England rate remained as before at 5 per cent.

We have pointed out "what the result may be, at all events for a time, of the divergence between the market rate and the bank rate." It is impossible safely to separate the two points—the responsibility of fixing the rate for discounts and that of the charge of the cash reserve of the country. For the present the tendency is to divide this responsibility into two parts, but they really form only one duty, though at the moment it seems difficult to reconcile the conflicting interests which are concerned with both of them.

BANK CLERKS' PROVIDENT FUNDS.

WE are sure that we cannot do wrong in directing attention again to this very important subject, on which we gave, as our readers will recollect, not long since,* a series of papers describing the practice with regard to retiring allowances to aged and infirm officers in several of the most important Banking Institutions of the country. Examples were given in these papers of the manner in which Provident and Superannuation Funds were carried on, not only in England, but in Scotland as well. The establishment of funds of this description cannot fail to be of the utmost service in promoting not only the welfare and comfort of bankers' clerks, but they will certainly be found

* NOTE.—See *Bankers' Magazine*, November, 1876, January, March and May, 1877. We refer also, with pleasure, to the remarks of the chairman at the meeting of the Bank of British South Africa in proposing to apply £5,000 to the Pension Fund. See p. 1025.

also of great benefit to those banks which have instituted them. Nothing is more important to a bank than that it should be zealously served by its different officers, and nothing will conduce more certainly to zeal among the officers of any institution than the knowledge, not only that they will be honourably and handsomely treated during their time of service, but that when old age and infirmity prevent them from pursuing their callings, they will, if they perform their duties in an efficient manner, and to the satisfaction of their employers, be kindly and considerably provided for.

It is, therefore, with satisfaction that we quote the following announcement from the report of the forty-first annual general meeting of the shareholder of the Sheffield and Hallamshire Bank. Mr. Joshua Smith in the chair. After stating that considerable addition had been made to the premises of the bank, the report continues, "The directors have also established a fund to enable them to give assistance in sickness and to provide retiring allowances to deserving clerks, who, from increasing years or other causes, may become incapacitated for the efficient discharge of their duties. The directors consider that the establishment of this fund will be a source of encouragement to their officers and bind them more closely to the interest of the bank."

We have recorded this act on the part of the directors of the Sheffield and Hallamshire Bank with much pleasure. It is a sign of a pleasant and proper state of feeling as between the employers and those who serve them, and we hope that the establishment of this fund may not be, by any means, the last that we may have the opportunity to mention. No doubt many such funds already exist, and in more cases than one also we have observed during the past year instances of retiring allowances granted to officers of banks on the occasion of their withdrawal from active work. But there may also be instances in which banks of considerable standing may have carried on business for a great many years without the establishment of provident funds of this description, and, should this be the case, we hope it may not be long before they do establish them. The details in each instance must be worked out from actual experience, but the principle should be the same, that honest labour should be sure of its reward, and that hard and unremitting work should be certain to be considered when old age enfeebles the powers which have long been exerted in the service of others. It may be desirable to establish the fund for retiring allowances in connection with a mutual guarantee fund against fraud among the officers of a bank themselves,

but the consideration of these details, like the other regulations under which the fund would have to be worked, is best left to the discretion and judgment of those immediately interested in each case.

Since the above remarks were written, another instance of generous action on the part of bank directors has come under our notice. At the recent meeting of the North of Scotland Banking Company, the chairman mentioned that the board had previously had under their consideration the formation of a fund for the benefit of their officers, as some such provision, he said, was now becoming generally recognised amongst banking institutions, and the directors proposed to appropriate a sum of £3,000 to that object on the present occasion. The proposal met with the cordial support of the meeting.

BANKING HOURS.

THE proposal to postpone the hour of opening banks in London, for public business, till 10 o'clock in the morning, has been again brought forward this month, and, as we understand, has met with the almost universal assent of the principals and managers, indeed it is said that one bank alone declined to concede the point. It is to be regretted that so useful a measure was not carried unanimously; we cannot suppose that inconvenience, to any appreciable extent, would result to the public therefrom, whilst it would be left open to each bank to make its own internal arrangements, as to the disposal of the extra time of quiet, which would thus be gained from public business. Now that this advantage has been so nearly secured, we hope that another effort will prove successful.

With regard to the advantage of a Saturday half holiday, we hope there are not now two opinions; clerks in London banks are not, certainly, a class who least stand in need of relaxation thus afforded, yet they are amongst the few to whom this boon is still denied; we do not suppose that the obstacle lies with the employers or their managers, nor can we believe that the public would interpose any difficulty, indeed we have reason to believe that many mercantile houses would now be glad to facilitate arrangements amongst themselves for making what are called Saturday payments on another day in the week; if this can be done, probably the main obstacle would be removed, though, at the same time, it might be desirable to amend the law of bills of exchange, so as to make those falling due on Sunday, payable on the day after, on the Monday instead of on

the Saturday, which would have the further advantage of assimilating the law and practice with what is provided by the Bank Holidays Act. Possibly the sympathy of Sir John Lubbock might be enlisted in favour of this movement, and his influence brought to bear in promoting the accomplishment of the object in view.

We reprint from the *Times* the letters and remarks on this subject, as follows :—

From the *Times* of 16th November :—

“A movement, to which we referred favourably a few weeks ago, has been for some time on foot to get City banks to postpone their hour of opening until 10 o'clock. All the banks but one have, we believe, acceded to the proposal, but because of this one dissentient it has fallen through. This is, we think, rather to be regretted, for the later hour of opening would be practically no inconvenience at all to the public, which rarely or ever frequents bank counters before ten. At the present time, we believe, the City Branches of the Scotch Banks all open at 10, instead of 9, and so little inconvenience does the change cause that other banks complain of these rivals taking away their business. While it would be no inconvenience to the public or to business people, the change in the hour of opening would be of immense benefit to bank clerks, who, owing to the enormous rise in City rents, are now driven out into the distant suburbs to find houses. This involves their rushing by the early over-crowded trains into the City; and so great is the press of people between 8 and 9 o'clock, that punctuality is an impossibility unless a man start long before the necessary time. A strain and mental worry has thus to be endured which the shifting of the hour of opening would much reduce. It was not intended, we believe, to fix the hour at which clerks should arrive as late as 10, but to leave each bank to suit its own convenience on a sort of general understanding that something like half an hour's grace would be allowed to men who were not incorrigibly late. The more is the pity, therefore, that so simple an arrangement should be nipped in the bud.”

From the *Times* of 19th November :—

“The subjoined letter may be considered as giving the bank managers' view of the propriety or otherwise of opening banks at ten instead of nine. To a certain extent, the writer begs the question, as it was expressly stated that the intention was not to permit the clerks to get the extra hour, but merely to slacken for them the strain of having to be at the banks before nine. Some institutions might give a quarter of an hour's grace, some more, as their circumstances might permit; but it was never intended to go further. The inconvenience to the public would, we believe, be infinitesimal, because the same cause which makes clerks late in

reaching the City makes the merchant and the general public later still. There would, at all events, be all the more time to perform the necessary preliminary work in the quiet half-hour or three-quarters of an hour than there is now :—

“ ‘ Sir,—There are more practical difficulties in the way of opening the City banks at ten instead of nine o'clock than readily appear to persons not conversant with the internal duties of these establishments. It is true that between nine and ten but few customers appear either at the received or pay counters except on those days of the week when large concerns send for coin wherewith to pay wages and of course prefer to have that coin as early as possible for their own safety and the convenience of their men. As regards the public, the change of hour will occasion some, but not great, inconvenience. But it is inside the banks themselves that the hour from nine till ten is indispensable in checking the work of the previous day, getting ready customers' pass-books, which are called for close upon ten o'clock, casting up ledgers, starting off the walk or collecting clerks, and generally putting forward all internal and Clearing-house work, so as to leave the whole force of the bank ready to meet the great pressure of business which commences about two o'clock, and has to be got through rapidly and accurately not later than four, when the Clearing-house closes. The close of the Clearing-house at four instead of five o'clock as formerly was a great and real revolution in favour of bankers' clerks, but that shortening of time is only possible by the most systematic preparation in the early hours of the day.

“ ‘ Besides the operations already mentioned, there is the very formidable business of opening several hundreds of letters and entering and sorting the thousands of articles they enclose for due attention, in a large proportion of cases on the very day they arrive. The hours of work in City banks are not onerous. Taking the time of arrival at from a quarter-past 9 to half-past 9, allowing an hour for dinner, and reckoning the time of departure at half-past 4 to half-past 5, according to servants and duties, there remain but seven hours of work, surely no great strain, and a strain which compares very favourably with the attendance which is required in the offices of merchants, brokers, solicitors, Manchester warehousemen, and the like. There are many grievances in the city of London far more urgent than diminishing banking hours at the early part of the day. ‘ X.’ ”

The subjoined offers yet another suggestion on the bank clerk question :—

“ ‘ Sir,—The numerous bankers' clerks of the City will be grateful for the remarks in your Money Article of yesterday respecting the opening of banks at 10 o'clock instead of nine, or the half hour's grace to those men whose work is such that the half hour in the early morning would not inconvenience any. But there is a boon which would be even more appreciated by the hard-working clerks

of City banks, and which might be accorded to them as it has been for some years to the men of merchants' offices and wholesale houses. I allude to a Saturday afternoon holiday. Banks close on Saturdays at 3 o'clock, but the work of that day is so heavy that clerks rarely get away from their respective offices more than half an hour earlier than on other days. It would be a great boon, and one highly valued, if the banks would close at one o'clock on Saturdays. To make the early closing available, however, it would be necessary that bills falling due on Sundays should be payable on the Monday following. If Sir J. Lubbock, or some other influential member of Parliament, would introduce a short Bill into the House to meet this necessity, and thus render Sunday bills subject to the same provision as bills falling due on a Bank holiday are, bankers' clerks would be able to enjoy the privilege of a Saturday half-holiday.

"Pray, Sir, lend your powerful advocacy to this end.

"Your most obedient servant,

"A BANKERS' CLERK."

THE SILVER QUESTION.*

It is evidently impossible to discuss the innumerable facts of the Silver Question in a brief paper like the present. My purpose must be restricted almost entirely to expressing the conclusions which force themselves upon an English reader of the recent discussions. In several official publications, in the excellent minority report of Professor Bowen, in the works of Mr. Blake, M. Cernuschi, Mr. S. Dana Horton, in Mr. W. L. Fawcett's useful *American Handbook of Finance*, and in numerous minor books or articles we have abundance of facts. We are not likely, at present, to get more information, and our task, therefore, is to digest what we have, and to interpret its outcome wisely.

The general result, as it appears to an Englishman, is that the United States should not, or rather cannot, adopt the double standard. If the attempt be made, it must be made either with or without the similar action of other nations. But the first supposition is easily disposed of. The notion of M. Cernuschi, that there might be a congress of nations, and that the leading commercial states might be induced to unite in adopting bi-metallic money is chimerical. Several of the more important European nations have, for the present, no hope of using coin, whether gold or silver. Germany is only now establishing an

* A paper by Professor Stanley Jevons, F.R.S., read at the recent meeting of the American Social Science Association, at Saratoga.

excellent currency on a gold basis, and is most unlikely to abandon it without further trial. The Scandinavian kingdoms have no reason for retracting their late adoption of gold, which has created no evils. Even France, which still has the law of the double standard in nominal existence, shows no desire to put it into operation again, having experienced the trouble of an alternating standard, and a heavy silver currency.

As to England, there is not the most remote chance that the proposal would be accepted, or even entertained here. The present English system of metallic money has now existed, almost unchanged, since 1816, and it has worked so satisfactorily in most respects that it would require very strong reasons for making so fundamental a change. Even were there a considerable weight of evidence in favour of the double standard, it would probably be found impossible to persuade the House of Commons to accept it. In nothing is the English nation so conservative as in matters of currency. To show this by some instances, I may mention the question of decimal money. Nothing is more apparent than the superiority of a decimal system, like that of the United States or France, over our £. s. d. The subject has been discussed *ad nauseam* for forty or fifty years, and some of the ablest men, such as the late Professor De Morgan, wasted great labour in advocating the obvious reform. But nothing has been done, and we are, perhaps, further from success than ever. Again, there is absolutely no sensible reason against the use of one pound notes, which have been in constant circulation in Scotland from the first origin of the Scotch Banks. But an English Chancellor of the Exchequer would not venture to propose their use in England. When it was shown, a few years ago, that the alteration of the sovereign or pound sterling to the extent of two pence, would probably lead to the establishment of international money, our financial wiseacres decided that it could not be done. What, then, would be the reception in England of a proposal to subvert our standard altogether? The Australian, South African and other colonies, which now use gold, will doubtless follow the mother country in retaining it. Thus it may be regarded as certain that the British Empire, so far as it at present employs gold, will continue to do so.

If, then, the United States were to adopt the double standard, they would do so alone, or with the concurrence of only a few other nations—those of the Latin Convention at the most. If the adopted legal ratio of gold and silver were such as to enable gold to circulate in the United States, then no effect on the value of silver would be produced, and all the discussion would

end in nothing. If the legal ratio were $15\frac{1}{2}$ to 1, as proposed, then full-weight gold coins could not circulate, and the currency and the standard of value would consist of silver only. American trade would be hampered by a money $15\frac{1}{2}$ times as heavy as it need be.

Americans would be loading themselves with silver fetters, and for what purpose? In order that the rest of the world might enjoy the superior convenience of gold money. While other advanced nations are passing, one after another, from the silver age of currency to the gold age, America, and probably America alone, will be stepping back from the gold age into the silver age. This seems to me about as wise as if the men of the bronze age had solemnly decided to reject bronze, and to go back into the stone age. In a matter of this sort we must take account of general and long-continued tendencies; and the tendency now appears to be inevitably towards the general adoption of gold as the standard of money. In the last six centuries both the precious metals have become greatly depreciated. An agricultural labourer can now earn in England, by a day's labour, about *ten times* as much silver as he could six centuries ago (about 350 grains of standard silver as compared with 34 grains). Silver, too, is depreciated more than gold; in the middle ages the ratio was 10 or 12 to 1; now it is 16, or even 20 to 1.

To attempt to arrest progressive changes of this kind is vain striving against Providence. Moreover, why should we try to keep silver dear? If the mines of America yield so beautiful a metal in sufficient abundance, why should we not enjoy the use of it for ornamental and useful purposes, for which it is at present too expensive? Why should we wilfully employ it in the very way in which it is not useful, but simply inconvenient? When looking at pictures of Indian women, who load their arms and legs with silver bangles and anklets, it is difficult to help wondering how such a weight of ornaments could add to the enjoyment of life. But vanity can explain a good deal. What can explain the wish of the Americans to load themselves with silver coin, from which they will derive no gratification whatever? The benefit, if any, will fall to other nations, which can use gold in greater abundance, and no American will be better off, unless indeed it be the few proprietors of silver mines, who being rich already, will become richer still.

I might go on to show that even if America could establish the double standard, and succeed in inducing other nations to do so likewise, the advantages of so great and so difficult a measure are of a very speculative and doubtful kind. I quite

concede to MM. Wolowski and Cernuschi that the bi-metallic system does spread fluctuations of supply and demand over a wider area. I have tried to explain in my book on Money that gold and silver, free from the action of a legal ratio, are like two unconnected reservoirs of water, each liable to be raised or lowered in level by various accidents. Establish a communication between these reservoirs, and then each new supply spreads itself over a double area, and each new demand is supplied with less effect upon the general level. The legal currency ratio of $15\frac{1}{2}$ to 1 actually does establish a communication of this sort between the reservoirs of gold and silver in the world; but it does not therefore follow that it is desirable to establish the communication.

To say the least, it is quite open to argument that silver is now a metal less steady in value than gold. If one mine, like the Comstock Lode, produces so serious an alteration in the supply, what may we not apprehend when the mineral treasures of Peru and Mexico are opened up by Anglo-Saxon miners. Both Humboldt and Murchison were of opinion that enormous supplies of silver would some day be obtained from South America, and what has occurred in Nevada lends probability to their predictions. Moreover, silver is drawn almost exclusively from regular mines, and it is extracted from ores, so that the advance of mechanical and metallurgical science tends to cheapen it in the same way that it cheapens iron and steel. This is much less true of gold, which is found to a considerable extent in the native state in surface deposits. Gold is a widely diffused metal, and there are large tracts of auriferous deposits which might be worked if an increased demand for gold should make it profitable. Under these circumstances it is probable that the double standard, or, as it ought to be called, the *alternative standard*, will be really less steady in value than the gold standard alone. Indeed, it is difficult to help looking upon the adoption of a silver standard now (and the double standard would not differ much in practice from a single silver standard) as approximating indirectly to an act of repudiation. I take it for granted that if the United States were to adopt silver, they would make provision for the payment of past obligations, including the whole national debt, state, and city debts, railway bonds, &c., in the gold money in terms of which they were contracted. I am sorry to see, indeed, that M. Cernuschi, if I read him rightly, proposes that "all existing debts stipulated in dollars of whatever denomination, shall without exception be payable in the new bi-metallic currency;" such a measure would verge closely upon a breach of faith, for the

change would be made on the ground that silver is depreciated, and if, as is probable, the bi-metallic system would not be capable of restoring its value, then creditors will be plainly mulcted to the advantage of debtors.

One of the most powerful arguments in favour of the double standard is founded on the idea that there will not be gold enough to meet alone the advancing needs of commerce. Prices it is said will fall, and the burden of debts will be increased by the demonetization of silver. But there is no proof and not even a probability that such results will follow. In the past thirty years the supply of gold has certainly been excessive, as shown by the progressive rise in the cost of living in all parts of the world. The same tendency to progressive depreciation of the precious metals has been going on, as I have already remarked, for centuries. Should the adoption of a gold metallic currency in America and elsewhere tend to slacken this continual fall of value for a time, there would be nothing to regret in the result ; but I doubt if it would even do this.

On the one hand, there is no good evidence of considerable falling off in the supplies of gold yielded by California and Australia. Elaborate calculations have been made to show the inadequacy of the gold supply. I am much inclined to agree with the late Mr. Bagehot, who, in the course of his excellent evidence concerning the depreciation of silver, said that estimates of the stock of gold and silver were not worth the paper they were written on. Even the apparently precise returns of produce and amounts transmitted are probably most inaccurate. But, even taking these returns, Mr. S. Dana Horton, in his ingenious work on gold and silver (p. 28), comes to the conclusion that the net annual supply of gold for the use of money is twice that of silver, namely, sixty millions of dollars, as compared with thirty millions. Now, if we remember that of the whole population of the world, probably two-thirds use silver coin exclusively, and are in the habit of melting it up, and burying it in the earth, whereas those who use gold, use silver also, for subsidiary currency, I cannot see that there is any evidence of gold becoming comparatively deficient. Mr. Horton concludes, too, that the present annual addition of new gold is one and two-thirds per cent. of the total stock of gold money, while that of new silver is only about one per cent. of the silver money. So far as such calculations have any weight, they are strongly in favour of a gold standard. I may add that Mr. Hollingberry, after an elaborate enquiry carried out for the information of the Indian Government,* comes to the conclusion that the produc-

* The Production of Gold and Silver, &c. Selections from the Records of the Government of India. Calcutta, 1876.

tion of gold is much under-estimated, that there has been little falling off in the aggregate yield, and that there is little prospect of any further falling off. It should be remembered, too, that the produce of the Comstock Lode consists of gold to the extent of 45 per cent. in value.

On the other hand, I see no probability that any great nation, except the United States, will soon want a considerable supply of gold. Russia, Italy, Austria, Turkey, and other states with depreciated currencies, are not likely to coin much gold at present. France already has the largest stock of gold ever accumulated in one place, and can hardly want more. The Scandinavian kingdoms have already exchanged their small bank reserves of silver for gold, and their gold currency makes no progress. England already has a currency mainly composed of gold coins, and cannot want more than the usual annual addition, which is probably not the half in reality of what it seems to be by the returns.* Germany no doubt is still absorbing gold, but the quantity absorbed is really much less than what is coined. On looking round in this way it is difficult to see where any very great demand is likely to arise, simultaneously with the American demand. No doubt, as I have said, the use of gold money will gradually progress, but a costly change of this kind will take decades or even centuries of years to carry out.

Nor will the United States require any very great quantity of gold, when they resume specie payments upon a gold basis. It is quite a mistake to suppose that because a currency is convertible into gold at will, it is therefore *actually* converted into gold. In England we have a great quantity of gold coin, because there is an absurd prejudice against the use of one pound notes, so that sovereigns must be used as change for five pound notes. In Scotland it is just the reverse, and it is not uncommon for a beautiful gold sovereign to be actually refused, and a one pound note demanded instead. In Sweden and Norway there has long been in use a well regulated paper currency, and so far as my own observation goes, there is little prospect of the new gold coin beating out the notes.

So, the resumption of specie payments in the United States does not mean necessarily that all the notes shall be replaced by gold coins. Gold is not really requisite except for making international payments, and the stock kept need not be very much larger than will meet any conceivable demand for exportation. Provided that the amount of notes afloat is made

* This is due to the large amounts of coin which are melted, carried abroad by travellers, or exported without proper declaration at the Custom House, so that they are not entered in any returns.

to rise or fall by the exact amount of gold added to or drawn from the reserve, in the manner of the Bank Charter Act and the present German system, it is possible to have a currency conforming exactly to the variations of a gold currency, and yet consisting mainly of paper.

The resumption of specie payments seems to me to need on heroic measures whatever. Already the premium on gold is so low, that if the dollar were made coincident with the five-franc piece, the paper dollar would be almost at par. The difference of about two per cent. would disappear of its own accord as trade becomes brisk again. The par having been once established it would be possible to begin making specie payments in gold in a partial manner, as is actually done at present by the Bank of France. Payments might at first be limited to small sums, or fenced round with such conditions and precautions as would prevent any sudden run for gold. After the novelty of specie payments was worn off, these precautions might be gradually abandoned, and convertibility would be achieved without any violent change whatever. Nor does there seem to me to be any need to make National Bank notes convertible to any amount at the bank issuing them. They might continue to be convertible into Treasury legal tender notes, which would become convertible into gold at Washington, or such other few spots as might be selected for the deposit of the reserve. As gold is really only needed for international transactions, the reserve should be concentrated and not dispersed over a great many local and minor banks.

Finally, as regards the future American dollar, I agree nearly but not entirely with Professor Francis Bowen. Excepting in a few minor points, I believe his report to be true and wise from beginning to end, and I trust that his recommendations will for the most part be adopted. He proposes that the dollar shall contain 22·6 grains of gold, so that the five-dollar piece may be the exact equivalent of the pound sterling. The choice ought, doubtless, to be between this and the twenty-five franc piece, and those who do not yet quite despair of international currency would prefer the latter. In this case the dollar would contain 22·40 grains of pure gold, and the American five-franc piece, containing about a grain less gold than the sovereign, would be preserved in this way from being melted wherever it came into competition with the sovereign. It is a law of currency that the lighter coin lives and the heavier one goes to the melting pot. In this way the American five-dollar piece would probably become the predominant gold coin, until such times as the English people would see the

wisdom of reducing their sovereign by two pence, and thus establishing a simple ratio between the Latin, American and English currencies.

But this is a matter only of detail. My principal purpose is accomplished, if I have adequately expressed the strength of my conviction that in trying to establish a bi-metallic money, the American nation would be setting themselves against irresistible natural tendencies so as to ensure defeat. For the sake of making those richer who are rich already, they would be loading themselves with heavy metal, which, if it is to be abundant, had better be left to other uses, or to those eastern nations who are too poor and ignorant to employ gold. It is the general rule in commerce to take care of "number one," but in bi-metallic money the rule is reversed, and "number one" is asked to carry silver coin in order to benefit "number two" and "number three."

REPORT OF THE IMPERIAL BANK OF GERMANY FOR 1876.

(Continued from page 911.)

REGULATIONS FOR CONDUCTING THE GIRO (CURRENT ACCOUNTS) BUSINESS OF THE IMPERIAL BANK.

1. Proposals for opening an account are to be directed to the chief office or office of the bank in the district to which the applicant belongs.
2. Should his application be approved of, the applicant will receive, in addition to the necessary forms, a pass-book, in which will be entered all sums paid in, in cash, or otherwise placed to account, as well as all payments made on his behalf. These entries are to be written into the pass-book exclusively by the officials of the bank. Further receipts or vouchers will not be given.
3. Payments in cash will be credited at once to the account.
4. Discounted bills and advances are only placed to the credit of the Giro Account when the holder of the account has had his voucher referring to these transactions marked with the words "On Giro Account."
5. The bills and delegations handed into the bank must be duly endorsed and handed in with a special declaration, the prescribed forms of which are provided by the bank. On these forms the exact period which has to elapse before maturity is indicated for each branch.

The total amount of the securities described on this form will be entered at once in the pass-book *before* the line. The final crediting of the amount will only take place after the prescribed number of days before maturity have elapsed.

Dishonoured paper will be handed back to the customer (Konto-Inhaber)

against his receipt, at the latest on the morning of the next day of business after the day of maturity.

6. The bank does not engage to protest such bills.

The Imperial Bank will undertake the encashment of securities, &c., only on those places which shall be duly specified, and where it is found necessary to undertake it.

Stock Exchange securities, &c., are to be delivered to the bank with a special form. Each parcel must be sealed and accompanied by the name of the transferor, the name of the transferee, and also with the amount fixed to be paid as in the declarations mentioned above.

The amounts are to be placed to account according to the conditions in paragraph No. 2 of section No. 5.

7. The customer (Konto-Inhaber) can at any time have control of the sums at his credit, but, apart from the conditions in section No. 9, only by means of cheques on forms furnished by the bank. Drafts of any other kind will not be honoured.

Red cheque forms are necessary for transfers to other accounts whether in the same or at another banking office; they must be to order and are not transferable.

Cash payments are made by means of *white* cheques (Quittungen) on the forms provided for the purpose. Should the customer (Konto-Inhaber) wish the amount of such a cheque to be received only by a Giro customer (Giro-Kunden) of the Imperial Bank, he must specify across the face of it in writing, either through the part which is written or through the part which is printed, "only payable to a Giro customer of the Imperial Bank."

8. Cheque forms will be delivered to the customer (Konto-Inhaber) by the bank, against his receipt for them, as required in books containing at least 50. He is charged to keep the cheques carefully, and bears the responsibility of all consequences and damage which might result from the loss or transfer of these cheques into other hands, if he has not immediately upon such loss or transfer acquainted the bank with the circumstance in time by writing, in order to stop payment to unauthorised persons.

The customer (Konto-Inhaber) of the bank is also liable if he does not fill up the spaces on the cheques in such a manner that forgery becomes impossible, or if he does not mark out (or separate) from the figures on the right side of the white cheque, before the cheque is completed, those other figures which exceed the amount for which the cheque is drawn. Cheques will be returned when writing is placed between the printed lines. Spoiled cheque-forms are to be returned to the bank.

9. The customer (Konto-Inhaber) is allowed to make bills and other paper for which he is liable on his own account, payable at the bank; he must in this case make these securities payable at a specified bank office, taking care to provide such office beforehand with a description of

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their amount, and of the drawer of the bills, as well as of the date of their maturity. Securities matured and paid will be delivered at the end of each week, to the customer (Konto-Inhaber) on his receipt.

10. Should the customer (Konto-Inhaber) overdraw his account, the bank will not only refuse payment, but also reserves to itself the right of immediately closing the account. Should he exhaust the whole of the amount to credit, he would imply an intention of closing his account.

11. Money on current account is taken charge of by the bank free of expense, but will not bear interest.

12. Pass-books are to be sent in as often as possible for posting up.

On the 7th July and 31st December, all the accounts are closed and the balance carried forward.

13. The bank reserves to itself the right of altering the existing conditions on which its current account (Giro account) business is carried on at any time on notice by public advertisement, also of closing the current accounts of individual customers (Konto-Inhaber) without explaining the reason for doing so.

14. Before opening an account the customer (Konto-Inhaber) must sign and accept these conditions according to the form printed below. The signatures of other persons who are authorised either as partners or in any other manner to represent or sign for the name or firm of the customer himself, must be deposited with the bank. It is also necessary to place with the bank attestations of powers of attorney and other authorisations according to the forms prescribed by the bank. All such signatures and powers of attorney placed with the bank remain valid so long as the bank office where the account is kept has received no written notice of the extinction of the same. Dated, Berlin, February 25th, 1876.

(FORM.)—BOARD OF DIRECTORS OF THE IMPERIAL BANK OF GERMANY.
Read and agreed to. (Signed) the 18

DEUTSCHE REICHS-BANK—PROFIT AND LOSS ACCOUNT, 1876. RECEIPTS.

1. Interest on Town Bills	£359,195	
do. Country bills	466,417	
	825,612	
do. and profit on Foreign bills	4,882	
		£830,494
2. Profit on loans against securities		132,514
3. Commission		25,695
4. Interest on accounts current		3,215
5. Receipts from real property		1,940
6. Profit on bullion		2,887

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7. Sundry receipts— <i>a.</i> Overpaid receipts on deposits returned	773	
<i>b.</i> Expenses over-estimated	1,999	
<i>c.</i> Bonus saved on managers' posts vacant	545	
<i>d.</i> Received on account of bills written off	53	
		3,370
		<u>£1,009,115</u>

EXPENDITURE.

1. Expenses of management— <i>a.</i> For the general management	£78,895	
<i>b.</i> For the special do.		
<i>a.</i> In Berlin	28,722	
<i>b.</i> In other places	162,352	
		£269,968
2. Interests on deposits		86,863
3. Printing, &c., of bank notes		30,539
4. Indemnity to five private banks for cession of right of note issue		6,197
5. Payment to the Prussian State as per s. 3 of the Convention of 17/18 May, 1875		93,287
		485,854
Balance profit for 1876		514,261
Total		<u>£1,000,115</u>

DEUTSCHE REICHS-BANK—APPROPRIATION OF PROFIT.

Net Profit	£514,261	
1. Shareholders as per s. 24 of the bank law, $4\frac{1}{2}$ per cent. on £6,000,000, already paid	270,000	
		244,261
2. Reserve Fund, 20 per cent. on £244,261	48,852	
		195,409
Further divided as follows:—		
One half to the State	£99,704	
One half to the shareholders, viz., £2. 8s. 9d. per share on 400,000 shares	97,500	
		195,204
Carried to next year's account		205
On each share of £150 the shareholders have received at $4\frac{1}{2}$ per cent.	£6 15 0	
They now receive	2 8 9	
		£9 3 9
		<u>£9 3 9</u>

Being about $6\frac{1}{2}$ per cent. profit.

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DEUTSCHE REICHS-BANK.—BALANCE-SHEET, 31st DECEMBER, 1876. ASSETS.

1. GOLD IN BARS AND FOREIGN COIN ..		£2,144,170
2. CASH—		
(a) German coin	£22,885,816	
(b) Notes of the Imperial Treasury ..	2,235,122	
(c and d) Own notes	66,547,076	
(e) Notes of other banks	823,915	
		92,491,929
3. SILVER IN BARS AND COIN		
4. BILLS—		
(a) Town, due within 15 days ..	£3,320,925	
Ditto, later	6,565,532	
		9,886,457
(b) Country, due within 15 days ..	6,460,013	
Ditto, later	5,896,208	
		12,356,221
(a) Foreign—Amsterdam	3,217	
Belgium	7,375	
London	59,765	
Paris	3,615	
		73,972
		22,316,650
5. LOANS—		
(a) On gold or silver	1,965	
(b) Securities and bills, as per sec. 13 of the Bank Law	2,568,703	
(c) Other securities	—	
(d) Goods	451,787	
		3,022,455
STOCKS AND SHARES—		
6. SECURITIES—		
(a) Discounted	36,250	
(b) Own investment	—	
(c) Ditto for reserve fund	—	
		36,250
7. DEBTOR IN ACCOUNT CURRENT—		
(a) Foreign correspondents	40,331	
(b) German ditto	14,435	
		54,766
8. AMOUNT OF OVERDUE BILLS AND LOANS ON SECURITIES		107,168
9. REAL PROPERTY		663,901
10. SUNDRY ASSETS—		
(a) Advanced on bills passed for discount	50,350	
(b) Salaries paid in advance	10,780	
(c) Advances on buildings in course of construction	189,989	
(d) Bank notes unfit for circulation ..	9,412,270	
(e) Bills and claims not paid 31st Dec. last, but paid a few days after- wards	46,439	
		9,709,828
		<u>£130,547,114</u>

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DEUTSCHE REICHS-BANK.—BALANCE-SHEET, 31st DECEMBER, 1876. LIABILITIES.

1. CAPITAL—		
40,000 shares of £150		£6,000,000
2. RESERVE FUND—		
Taken over from the Prussian Bank ..	£900,000	
30 per cent. profit on issue of 60,000,000 Reichs-Bank shares	900,000	
		1,800,000
I. Less 1 share of the Prussian State in the reserve fund of the Prussian Bank ..	£450,000	
II. Indemnity to the Prussian State for the cession of the Prussian Bank ..	750,000	
		1,200,000
		600,000
Profit from the sale of 81 shares of the Prussian Bank left unconverted ..		4,724
20 per cent. on £244,261, balance of profit, 1876, as per sec. 24 of the Bank Law		48,852
		653,576
3. RESERVE FOR DOUBTFUL DEBTS		35,546
4. NOTES IN CIRCULATION		114,264,708
5. AMOUNTS DUE ON CURRENT ACCOUNTS ..		7,027,223
6. DEPOSITS—		
(a) Bearing interest—		
At 3 per cent. with 8 days' notice ..	845,774	
3 per cent., 3 months' notice ..	58,523	
2½ per cent., 8 days' notice ..	466,996	
2 per cent., ditto ..	285,789	
2½ per cent., ditto ..	188,501	
2 per cent., 3 months' notice ..	199,723	
		2,045,306
(b) Not bearing interest		58,209
		3,103,515
7. INTEREST DUE ON DEPOSITS		30,321
8. AMOUNT OF DUTY OF NOTE ISSUE DUE TO THE STATE		—
8A. SUNDRY LIABILITIES—		
(a) Drafts on demand not claimed ..	69,707	
(b) Bills collected not yet paid over ..	5,606	
(c) Rebate of interest	72,438	
(d) Unclaimed dividends	55,822	
(e) Sundry debts	33,244	
		236,817
9. NET PROFITS FOR 1876—		
(a) For the State	97,704	
(b) For the shareholders	97,704	
		195,408
		£130,547,114

[The Reichs-mark converted as 20 = £1 in this statement].

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PUBLISHED WEEKLY RETURNS OF THE IMPERIAL BANK OF GERMANY.

LIABILITIES.

Date.	Capital.	Reserve Fund.	Liabilities. Note Circulation.	Other Liabilities payable on demand.	Liabilities payable after a given date.	Sundry Liabilities.
	£	£	£	£	£	£
1876.						
Jan. 7	5,620,700	600,000	35,774,000	3,693,000	5,060,050	119,000
15	5,719,700	600,000	33,967,200	3,340,650	5,063,000	113,750
22	5,757,000	600,000	33,361,900	2,760,900	5,059,000	115,900
31	5,770,000	600,000	32,859,050	3,693,600	4,988,600	127,750
Feb. 7	5,791,200	600,000	32,276,550	3,827,400	4,805,050	106,850
15	5,821,000	600,000	32,087,000	3,576,650	4,781,250	99,350
23	5,844,250	600,000	31,856,600	4,611,100	4,690,500	101,000
29	5,859,850	600,000	31,546,500	5,050,100	4,654,950	98,150
Mar. 7	5,867,400	600,000	31,447,500	4,730,050	4,570,800	70,650
15	5,894,350	600,000	31,054,450	5,491,300	4,545,800	60,250
23	5,909,850	600,000	31,292,100	5,453,150	4,496,050	59,950
31	5,932,950	600,000	33,899,450	4,765,600	4,251,200	233,350
April 7	5,967,300	600,000	33,553,850	4,844,400	4,122,800	126,850
15	5,997,700	600,000	32,489,550	6,348,050	4,034,900	84,150
22	5,998,300	600,000	32,216,450	7,086,000	3,972,300	72,400
29	5,999,350	600,000	33,831,250	6,980,700	3,900,150	50,450
May 6	5,999,500	600,000	33,279,600	7,752,400	3,791,750	48,800
15	5,999,800	600,000	32,987,900	7,988,500	3,718,050	43,800
23	5,999,800	600,000	32,539,550	8,893,700	3,676,850	37,650
31	5,999,800	600,000	32,969,250	9,451,350	3,564,350	36,950
June 7	5,999,800	600,000	32,444,000	9,578,450	3,529,300	37,700
15	5,999,800	600,000	33,589,350	9,202,450	3,484,050	45,650
23	5,999,800	600,000	35,331,000	8,364,750	3,441,000	125,550
30	5,999,800	600,000	38,883,850	8,426,850	3,314,900	103,300
July 7	5,999,800	600,000	38,275,350	8,866,950	3,288,700	82,500
15	5,999,800	600,000	36,660,650	8,494,000	3,292,150	64,050
22	5,999,800	600,000	34,626,200	10,271,350	3,269,600	58,050
31	5,999,800	600,000	34,534,700	10,355,750	3,189,850	52,900
Aug. 7	5,999,800	600,000	33,533,100	11,101,050	2,650,750	43,150
15	5,999,800	600,000	33,104,200	11,348,850	2,589,250	41,100
23	5,999,800	600,000	32,850,600	11,388,250	2,566,600	39,800
31	5,999,800	600,000	33,298,650	11,393,600	2,574,600	39,800
Sept. 7	5,999,800	600,000	33,126,900	10,509,150	2,601,950	45,650
15	5,999,800	600,000	33,322,300	9,828,250	2,596,600	39,250
23	5,999,800	600,000	33,770,200	9,377,400	2,601,750	38,300
30	5,999,800	600,000	37,007,500	7,566,850	2,580,900	37,300
Oct. 7	5,999,800	600,000	36,619,100	7,736,650	2,699,650	36,900
14	5,999,800	600,000	36,413,550	7,379,250	2,603,700	35,350
23	5,999,800	600,000	36,248,350	8,067,800	2,598,650	35,800
31	5,999,800	600,000	36,664,900	8,161,950	2,515,000	34,850
Nov. 7	6,000,000	600,000	36,063,950	8,493,950	2,127,900	35,400
15	6,000,000	600,000	35,827,150	7,984,250	2,117,600	34,950
23	6,000,000	600,000	35,460,250	8,728,000	2,132,600	33,700
30	6,000,000	600,000	35,996,250	7,942,850	2,145,150	34,850
Dec. 7	6,000,000	600,000	35,330,750	8,218,000	2,137,000	42,550
15	6,000,000	600,000	35,308,000	7,994,950	2,126,350	131,650
23	6,000,000	600,000	35,794,350	8,319,700	2,141,700	92,000
31	6,000,000	600,000	38,305,350	7,057,900	2,103,500	104,050
	285,745,800	28,800,000	1,643,679,100	362,486,700	162,605,950	3,354,000
Averages	5,953,037	600,000	34,243,314	7,551,806	3,387,623	69,876

NOTE.—The Reichs-mark converted as 20=£1 in this statement.

Report of the Imperial Bank of Germany for 1876. 1003

PUBLISHED WEEKLY RETURNS OF THE IMPERIAL BANK OF GERMANY.

ASSETS.

Date.	Gold.	Notes of the Imperial Treasury.	Notes of other Banks.	Bills of Exchange.	"Lombard" Advances.	Other Advances	Other Securities.
1876.	£	£	£	£	£	£	£
Jan. 7	22,323,650	780,300	560,000	23,100,950	3,107,450	3,750	1,901,150
15	21,893,150	1,874,450	530,450	21,249,000	2,824,250	1,750	1,842,200
22	21,863,550	1,365,400	409,450	20,470,150	2,698,350	1,050	1,810,450
31	22,555,700	1,807,550	670,850	19,435,150	2,760,850	750	1,801,200
Feb. 7	23,019,150	1,776,750	449,400	18,740,600	2,637,400	6,800	1,789,400
15	23,267,250	1,656,950	734,700	17,913,000	2,587,050	1,800	1,773,350
23	23,822,950	1,962,100	664,750	18,009,200	2,607,950	1,750	1,768,400
29	24,229,500	1,896,050	710,000	17,659,750	2,631,850	1,850	1,790,100
Mar. 7	24,250,350	1,871,050	499,350	17,338,750	2,610,150	1,350	1,851,400
15	25,053,000	1,789,050	753,700	16,799,200	2,578,000	2,450	1,820,000
23	25,349,050	1,755,500	617,250	16,868,500	2,557,600	3,550	1,842,950
31	24,930,450	1,700,150	685,100	18,266,600	2,995,400	2,350	1,960,200
April 7	24,723,300	1,686,150	595,500	18,304,000	2,691,750	2,400	1,803,850
15	25,316,250	2,144,200	819,350	17,616,150	2,486,950	1,950	1,824,600
22	25,798,950	2,125,250	614,150	17,807,450	2,440,150	2,150	1,705,050
29	26,071,800	2,102,950	489,550	18,961,200	2,651,850	2,150	1,749,800
May 6	26,725,200	2,122,950	638,000	18,473,450	2,443,050	2,500	1,694,300
15	27,324,950	2,120,650	818,750	17,580,300	2,387,750	3,350	1,712,550
23	27,911,950	2,139,950	702,950	17,721,400	2,242,600	6,950	1,701,050
31	28,177,950	2,146,050	876,800	18,090,900	2,204,200	10,250	1,715,450
June 7	28,045,200	2,155,600	756,250	17,889,850	2,315,550	8,300	1,712,350
15	28,189,350	2,159,000	825,550	18,459,800	2,262,950	12,350	1,763,650
23	27,742,700	2,111,600	770,450	19,850,950	2,294,750	16,700	1,654,800
30	27,491,650	2,067,700	794,250	22,833,750	2,900,350	31,100	1,861,250
July 7	27,107,450	2,055,450	646,300	23,658,750	2,564,700	9,500	1,678,050
15	26,421,850	2,075,150	919,950	22,348,300	2,347,750	9,650	1,685,300
22	26,669,400	2,087,400	763,550	22,008,250	2,255,950	7,550	1,678,450
31	26,559,200	2,089,900	920,950	21,707,250	2,398,900	8,200	1,737,550
Aug. 7	26,930,850	2,038,760	607,050	20,994,700	2,336,550	8,160	1,667,800
15	26,931,050	2,042,950	869,100	20,434,650	2,382,450	8,750	1,688,700
23	26,900,500	2,071,900	869,200	20,330,750	2,337,750	8,600	1,599,250
31	27,013,550	2,082,450	828,350	20,521,300	2,583,650	5,750	1,584,450
Sept. 7	26,534,200	2,102,150	799,150	20,189,000	2,416,400	5,450	1,556,650
15	26,600,250	2,077,450	846,600	19,637,350	2,422,400	6,000	1,581,900
23	26,258,900	1,937,450	652,900	20,265,900	2,451,200	5,750	1,566,800
30	25,210,650	1,880,300	711,700	22,041,700	3,094,350	5,800	1,659,500
Oct. 7	25,013,950	1,876,200	744,250	22,356,600	2,779,600	16,050	1,594,650
14	24,478,950	1,942,100	746,950	22,437,550	2,613,650	17,300	1,562,900
23	24,618,100	1,995,000	650,200	22,914,300	2,690,600	22,000	1,580,050
31	24,371,250	2,073,900	794,900	23,282,000	2,689,750	34,100	1,586,150
Nov. 7	24,538,750	2,086,950	777,900	22,677,800	2,607,300	36,150	1,571,700
15	24,768,350	2,110,000	781,050	21,676,900	2,525,300	33,450	1,566,100
23	25,140,850	2,121,250	881,050	21,733,750	2,366,150	40,100	1,561,050
30	25,313,600	2,167,950	974,850	21,458,750	2,465,450	44,500	1,209,950
Dec. 7	25,674,100	2,168,750	1,029,350	20,816,950	2,428,150	62,950	1,079,550
15	25,699,650	2,222,500	1,110,550	20,423,050	2,419,650	46,100	1,044,950
23	25,561,150	2,294,800	822,550	21,502,600	2,457,900	44,050	1,045,450
31	25,029,600	2,240,400	823,850	22,323,450	3,028,900	36,200	1,134,450
	1,225,422,950	94,657,450	35,558,800	966,981,550	122,362,650	641,250	78,980,850
Average	25,529,644	1,972,030	740,808	20,145,448	2,549,221	13,359	1,645,434

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LIST OF THE WHOLE NUMBER OF OFFICES OF THE IMPERIAL BANK OF GERMANY.

		DIRECTED FROM
1	BERLIN	Head Office and Direction of the Imperial Bank of Germany
2	Aachen (Aix-la-Chapelle)	Office of the Imperial Bank of Germany
3	Allenburg ..	Sub-office of the Imperial Bank of Germany
4	Anclam	Sub-office of the Imperial Bank of Germany
5	Ascherleben	Sub-office of the Imperial Bank of Germany
6	Augsburg ..	Office of the Imperial Bank of Germany
7	Bamberg ..	Sub-office of the Imperial Bank of Germany
8	Barmen	Sub-office of the Imperial Bank of Germany
9	Bartenstein ..	Sub-office of the Imperial Bank of Germany
10	Belgard	Sub-office of the Imperial Bank of Germany
11	Bernburg ..	Sub-office of the Imperial Bank of Germany
12	Bielefeld ..	Office of the Imperial Bank of Germany
13	Bischofsburg	Depot of goods of the Imperial Bank of Germany
14	Bochum	Sub-office of the Imperial Bank of Germany
15	Brandenburg on the Havel	Sub-office of the Imperial Bank of Germany
16	Braunsberg ..	Sub-office of the Imperial Bank of Germany
17	Braunschweig (Brunswick)	Office of the Imperial Bank of Germany
18	Bremen	Principal office of the Imperial Bank of Germany
19	Breslau	Principal office of the Imperial Bank of Germany
20	Brieg	Sub-office of the Imperial Bank of Germany
21	Bromberg ..	Office of the Imperial Bank of Germany
22	Bütow	Sub-office of the Imperial Bank of Germany
23	Cammin ..	Depot of goods of the Imperial Bank of Germany
24	Carlsruhe ..	Office of the Imperial Bank of Germany
25	Cassel	Office of the Imperial Bank of Germany
26	Chemnitz ..	Office of the Imperial Bank of Germany
27	Coblentz ..	Office of the Imperial Bank of Germany
28	Cöln (Cologne)	Principal Office of the Imperial Bank of Germany
29	Cörlin	Depot of goods of the Imperial Bank of Germany
30	Cöslin	Agency of the Imperial Bank of Germany
31	Colberg ..	Sub-office of the Imperial Bank of Germany
32	Constanz ..	Sub-office of the Imperial Bank of Germany
33	Cottbus ..	Sub-office of the Imperial Bank of Germany
34	Crefeld ..	Office of the Imperial Bank of Germany
35	Creuznach ..	Sub-office of the Imperial Bank of Germany
36	Crimmitschau	Sub-office of the Imperial Bank of Germany
37	Culm ..	Sub-office of the Imperial Bank of Germany
		Königsberg.
		Stettin.
		Magdeburg.
		Nürnberg.
		Elberfeld.
		Königsberg.
		Stettin.
		Magdeburg.
		Königsberg.
		Dortmund.
		Berlin.
		Königsberg.
		Breslau.
		Stettin.
		Stettin.
		Stettin.
		Carlsruhe.
		Frankfurt on the Oder.
		Coblentz.
		Chemnitz.
		Danzig.

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		DIRECTED FROM
38	Dansig ..	Office of the Imperial Bank of Germany
39	Darkehnen ..	Depot of goods of the Imperial Bank of Germany
40	Darmstadt ..	Sub-office of the Imperial Bank of Germany
41	Deutch (German) Eylau ..	Depot of goods of the Imperial Bank of Germany
42	Dillenburg ..	Sub-office of the Imperial Bank of Germany
43	Dortmund ..	Principal office of the Imperial Bank of Germany
44	Dresden ..	Office of the Imperial Bank of Germany
45	Düren ..	Sub-office of the Imperial Bank of Germany
46	Düsseldorf ..	Office of the Imperial Bank of Germany
47	Duisberg ..	Sub-office of the Imperial Bank of Germany
48	Elberfeld ..	Office of the Imperial Bank of Germany
49	Elbing ..	Office of the Imperial Bank of Germany
50	Emden ..	Office of the Imperial Bank of Germany
51	Erfurt ..	Office of the Imperial Bank of Germany
52	Essen ..	Office of the Imperial Bank of Germany
53	Eupen ..	Sub-office of the Imperial Bank of Germany
54	Finsterwalde	Sub-office of the Imperial Bank of Germany
55	Fischhausen ..	Depot of goods of the Imperial Bank of Germany
56	Flensburg ..	Office of the Imperial Bank of Germany
57	Forst ..	Sub-office of the Imperial Bank of Germany
58	Frankfurt on the Main	Principal office of the Imperial Bank of Germany
59	Frankfurt on the Oder	Office of the Imperial Bank of Germany
60	Frauenburg ..	Depot of goods of the Imperial Bank of Germany
61	Freiburg in the Breisgau	Sub-office of the Imperial Bank of Germany
62	Friedland in East Prussia	Depot of goods of the Imperial Bank of Germany
63	Fürth ..	Sub-office of the Imperial Bank of Germany
64	Gera ..	Office of the Imperial Bank of Germany
65	Giessen ..	Sub-office of the Imperial Bank of Germany
66	München	
	Gladbach ..	Sub-office of the Imperial Bank of Germany
67	Gleiwitz ..	Office of the Imperial Bank of Germany
68	Glogau ..	Office of the Imperial Bank of Germany
69	Gnesen ..	Sub-office of the Imperial Bank of Germany
70	Görlitz ..	Office of the Imperial Bank of Germany
71	Goldap ..	Sub-office of the Imperial Bank of Germany
72	Gradenz ..	Office of the Imperial Bank of Germany
73	Greifswald ..	Sub-office of the Imperial Bank of Germany
		Königsberg.
		Mainz.
		(Mayence)
		Elbing.
		Siegen.
		Cöln
		(Cologne).
		Düsseldorf.
		Aachen(Aix-la-Chapelle)
		Frankfurt on the Oder.
		Königsberg.
		Frankfurt on the Oder.
		Königsberg.
		Carlsruhe.
		Königsberg.
		Nürnberg.
		(Nüremberg)
		Frankfurt on the Main
		Crefeld.
		Posen.
		Königsberg.
		Stralsund.

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		DIRECTED FROM
74 Greiz	Sub-office of the Imperial Bank of Germany	Gera.
75 Grünberg ..	Sub-office of the Imperial Bank of Germany	Glogau.
76 Guben	Sub-office of the Imperial Bank of Germany	Frankfurt on the Oder.
77 Gumbinnen ..	Sub-office of the Imperial Bank of Germany	Königsberg.
78 Gutstadt ..	Sub-office of the Imperial Bank of Germany	Königsberg.
79 Hagen	Sub-office of the Imperial Bank of Germany	Dortmund.
80 Halberstadt ..	Sub-office of the Imperial Bank of Germany	Magdeburg.
81 Halle on the Saale	Office of the Imperial Bank of Germany	
82 Hamburg ..	Principal office of the Imperial Bank of Germany	
83 Hanau	Sub-office of the Imperial Bank of Germany	Frankfurt on the Main.
84 Hannover (Lin- den)	Principal office of the Imperial Bank of Germany	
85 Harburg	Sub-office of the Imperial Bank of Germany	Hamburg.
86 Heidelberg ..	Sub-office of the Imperial Bank of Germany	Mannheim.
87 Heilbronn ..	Sub-office of the Imperial Bank of Germany	Stuttgart.
88 Heilsberg ..	Depot of goods of the Imperial Bank of Germany	Königsberg.
89 Hildesheim ..	Sub-office of the Imperial Bank of Germany	Hannover.
90 Hirschberg ..	Sub-office of the Imperial Bank of Germany	Liegnitz.
91 Inowracław ..	Sub-office of the Imperial Bank of Germany	Bromberg.
92 Insterburg ..	Agency of the Imperial Bank of Germany	Königsberg.
93 Iserlohn	Sub-office of the Imperial Bank of Germany	Dortmund.
94 Jarzen	Depot of goods of the Imperial Bank of Germany	Stettin.
95 Kaiserslautern	Sub-office of the Imperial Bank of Germany	Mannheim.
96 Kiel	Office of the Imperial Bank of Germany	
97 Königsberg in Prussia	Principal office of the Imperial Bank of Germany	
98 Königsberg in Neu-Mark	Depot of goods of the Imperial Bank of Germany	Stettin.
99 Konitz	Sub-office of the Imperial Bank of Germany	Bromberg.
100 Kozmin	Depot of goods of the Imperial Bank of Germany	Posen.
101 Krotoschin ..	Sub-office of the Imperial Bank of Germany	Posen.
102 Labiau	Sub-office of the Imperial Bank of Germany	Königsberg.
103 Lehr	Sub-office of the Imperial Bank of Germany	Carlsruhe.
104 Landshut in Silesia	Sub-office of the Imperial Bank of Germany	Liegnitz.
105 Landsberg on the Weser	Office of the Imperial Bank of Germany	
106 Laurenburg in Pomerania	Sub-office of the Imperial Bank of Germany	Stettin.
107 Leipzig	Principal office of the Imperial Bank of Germany	

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		DIRECTED FROM
108 Lennep ..	Sub-office of the Imperial Bank of Germany	Elberfeld.
109 Liegnitz	Office of the Imperial Bank of Germany	
110 Limburg on the Lahn	Sub-office of the Imperial Bank of Germany	Coblenz.
111 Lissa	Sub-office of the Imperial Bank of Germany	Posen.
112 Ludwigshafen	Sub-office of the Imperial Bank of Germany	Mannheim.
113 Lübeck ..	Office of the Imperial Bank of Germany	
114 Lüdenscheid..	Sub-office of the Imperial Bank of Germany	Dortmund.
115 Lyck	Sub-office of the Imperial Bank of Germany	Königsberg.
116 Magdeburg ..	Principal office of the Imperial Bank of Germany	
117 Mainz (Mayence)	Office of the Imperial Bank of Germany	
118 Mannheim ..	Principal office of the Imperial Bank of Germany	
119 Marienburg ..	Sub-office of the Imperial Bank of Germany	Elbing.
120 Marienwerder	Government principal cash office and depot of goods of the Imperial Bank of Germany	Danzig.
121 Meerane ..	Sub-office of the Imperial Bank of Germany	Chemnitz.
122 Memel ..	Office of the Imperial Bank of Germany	
123 Metz	Office of the Imperial Bank of Germany	
124 Minden ..	Office of the Imperial Bank of Germany	
125 Mühlhausen in Prussia ..	Depot of goods of the Imperial Bank of Germany	Elbing.
126 Mühlhausen in Thuringia	Sub-office of the Imperial Bank of Germany	Erfurt.
127 Mühlhausen in Alsace	Office of the Imperial Bank of Germany ..	
128 Mühlheim on the Ruhr	Sub-office of the Imperial Bank of Germany	Essen.
129 München (Munich)	Principal office of the Imperial Bank of Germany	
130 Münster ..	Office of the Imperial Bank of Germany	
131 Naumburg ..	Sub-office of the Imperial Bank of Germany	Halle on the Saale.
132 Neisse ..	Sub-office of the Imperial Bank of Germany	Breslau.
133 Neuss ..	Sub-office of the Imperial Bank of Germany	Cöln (Cologne).
134 Neustadt on the Harz	Sub-office of the Imperial Bank of Germany	Mannheim.
135 Neustettin ..	Sub-office of the Imperial Bank of Germany	Stettin.
136 Nordhausen ..	Office of the Imperial Bank of Germany	
137 Nürnberg .. (Nuremberg)	Office of the Imperial Bank of Germany	
138 Obornik ..	Depot of goods of the Imperial Bank of Germany	Posen.
139 Obrzycko ..	Depot of goods of the Imperial Bank of Germany	Posen.
140 Offenbach ..	Sub-office of the Imperial Bank of Germany	Frankfurt on the Main.
141 Osnabrück ..	Office of the Imperial Bank of Germany ..	

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		DIRECTED FROM
142 Osterode ..	Sub-office of the Imperial Bank of Germany	Elbing.
143 Ostrowo ..	Sub-office of the Imperial Bank of Germany	Posen.
144 Pasewalk ..	Depot of goods of the Imperial Bank of Germany	Stettin.
145 Pforzheim ..	Sub-office of the Imperial Bank of Germany	Carlsruhe.
146 Pillkallen ..	Sub-office of the Imperial Bank of Germany	Tilsit.
147 Plauen in the Voigtland	Sub-office of the Imperial Bank of Germany	Chemnitz.
148 Pleschen ..	Sub-office of the Imperial Bank of Germany	Posen.
149 Posen ..	Principal office of the Imperial Bank of Germany	
150 Prenzlau ..	Sub-office of the Imperial Bank of Germany	Stettin.
151 Quedlinburg..	Sub-office of the Imperial Bank of Germany	Magdeburg.
152 Rastenburg ..	Sub-office of the Imperial Bank of Germany	Königsberg.
153 Ratibor ..	Sub-office of the Imperial Bank of Germany	Gleiwitz.
154 Rawitsch ..	Sub-office of the Imperial Bank of Germany	Posen.
155 Regensburg ..	Sub-office of the Imperial Bank of Germany	München
(Ratisbon)		(Munich).
156 Reichenbach in Silesia	Sub-office of the Imperial Bank of Germany	Breslau.
157 Remscheid ..	Sub-office of the Imperial Bank of Germany	Elberfeld.
158 Reutlingen ..	Sub-office of the Imperial Bank of Germany	Stuttgart.
159 Rogasen ..	Depot of goods of the Imperial Bank of Germany	Posen.
160 Rostock ..	Sub-office of the Imperial Bank of Germany	Lübeck.
161 Rügenwalde..	Sub-office of the Imperial Bank of Germany	Stettin.
162 Russ ..	Sub-office of the Imperial Bank of Germany	Memel.
163 Saalfeld ..	Depot of goods of the Imperial Bank of Germany	Elbing.
164 Saarbrücken..	Sub-office of the Imperial Bank of Germany	Metz.
165 Sagan ..	Sub-office of the Imperial Bank of Germany	Glogau.
166 Samter ..	Depot of goods of the Imperial Bank of Germany	Posen.
167 Schippenbeil..	Depot of goods of the Imperial Bank of Germany	Königsberg.
168 Schirwindt ..	Sub-office of the Imperial Bank of Germany	Tilsit.
169 Schneidemühl	Sub-office of the Imperial Bank of Germany	Posen.
170 Schwedt on the Oder	Sub-office of the Imperial Bank of Germany	Stettin.
171 Schwelm ..	Sub-office of the Imperial Bank of Germany	Elberfeld.
172 Schwiebus ..	Sub-office of the Imperial Bank of Germany	Frankfurt on the Oder.
173 Sensburg ..	Depot of goods of the Imperial Bank of Germany	Königsberg.
174 Siegen ..	Office of the Imperial Bank of Germany	Cöln
175 Solingen ..	Sub-office of the Imperial Bank of Germany	(Cologns)
176 Sommerfeld ..	Sub-office of the Imperial Bank of Germany	Frankfurt on the Oder

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		DIRECTED FROM
177 Sorau	Sub-office of the Imperial Bank of Germany	Görlitz
178 Speier (Spire)	Sub-office of the Imperial Bank of Germany	Mannheim
179 Spremberg ..	Sub-office of the Imperial Bank of Germany	Görlitz
180 Stallupönen ..	Depot of goods of the Imperial Bank of Germany	Königsberg
181 Stargardt <i>in</i>	Sub-office of the Imperial Bank of Germany	Stettin
<i>Pomerania</i>		
182 Stettin	Principal office of the Imperial Bank of Germany	
183 Stolp	Agency of the Imperial Bank of Germany	Stettin
184 Stralsund ..	Office of the Imperial Bank of Germany	
185 Strassburg <i>in</i>	Principal office of the Imperial Bank of Germany	
<i>Alsace</i>		
186 Stuttgart ..	Principal office of the Imperial Bank of Germany	
187 Suhl	Sub-office of the Imperial Bank of Germany	Erfurt
188 Swinemünde	Sub-office of the Imperial Bank of Germany	Stettin
189 Tapan	Depot of goods of the Imperial Bank of Germany	Königsberg
190 Thorn	Office of the Imperial Bank of Germany	
191 Tilsit	Office of the Imperial Bank of Germany	
192 Treptow <i>on the</i>	Depot of goods of the Imperial Bank of Germany	Stettin
<i>Tollensee</i>		
193 Trier (Treves)	Government principal cash office of the Imperial Bank of Germany	Metz
194 Trzemeszno ..	Depot of goods of the Imperial Bank of Germany	Posen
195 Ulm (Neu Ulm)	Sub-office of the Imperial Bank of Germany	Stuttgart
196 Wehlau	Sub-office of the Imperial Bank of Germany	Königsberg
197 Wetzlar	Sub-office of the Imperial Bank of Germany	Coblenz
198 Wiesbaden ..	Sub-office of the Imperial Bank of Germany	Frankfurt <i>on the Main</i>
199 Witten' <i>on the</i>	Sub-office of the Imperial Bank of Germany	Dortmund
<i>Ruhr</i>		
200 Wolgast	Sub-office of the Imperial Bank of Germany	Stralsund
201 Worms	Sub-office of the Imperial Bank of Germany	Mains (Mayence)
202 Wreschen ..	Depot of goods of the Imperial Bank of Germany	Posen
203 Wronke	Depot of goods of the Imperial Bank of Germany	Posen
204 Würzburg ..	Sub-office of the Imperial Bank of Germany	Nürnberg (Nüremberg)
205 Zeitz	Sub-office of the Imperial Bank of Germany	Gera
206 Zittau	Sub-office of the Imperial Bank of Germany	Dresden
207 Zwickau	Sub-office of the Imperial Bank of Germany	Chemnitz

Banking and Commercial Law.

ELSEWHERE we publish a report of an important banking case heard before the Court of Appeal at Westminster on the 8th ultimo. This case (*Smith v. West*) involved a question as to the liability of a person upon a guarantee given to bankers (Messrs. Smith, the plaintiffs) for advances made on securities, in the event of the bankers allowing the debtor (their customer) to deal with such securities. The case should not be lost sight of by bankers, although in the action before us the court found in favour of the bankers, thus upholding the appeal and reversing the judgment of the Common Pleas (the court below). Bankers are too apt to overlook the character and relative position of third persons who step in between themselves and customers for the purpose merely of becoming sureties for the customer in favour of the banker. Such third persons cannot be regarded as ordinary debtors and the law is very jealous in protecting the interests of such third persons.

An action heard during the present Michaelmas sittings before Mr. Justice Fry calls for notice. It was an action of a mortgagor (Gillespie) against the Hampshire and North Wilts Banking Company to compel the defendant bank to execute a lease to a builder in a particular form; there was also a question as to the construction to be put upon an agreement which had been drawn up in a most informal manner, and certainly not by a lawyer. The plaintiff (Mr. Gillespie) purchased the site of the Church of St. Martin Outwich, and by a separate purchase the adjoining plot on which the rectory house formerly stood. He entered into building agreements with Mr. Bedford, under which he was to lease the property for a long term. In July, 1876, he mortgaged the property to the Hampshire and North Wilts Banking Company to secure £52,000, the mortgage being made subject to the building agreement. Mr. Bedford agreed with the bank to sub-let the ground floor and other portions of the building when erected. Mr. Bedford was to receive a premium of £15,000, a pepper-corn rent for 14 years, and £2,000 afterwards. At the time of making the mortgage, Mr. Gillespie wrote to the chairman of the bank the following letter:—

“You having entered into an agreement with Mr. James Henry Bedford for a sub-lease or assignment of portions of the premises at the corner of Threadneedle-street and Bishopsgate-street Within, London, which I have agreed to demise to him

and enable him to take up his promissory notes given to me, I undertake to produce to you my title to the property, and that when Mr. Bedford or his assigns is or are entitled to his lease or leases from me, I and all necessary parties will grant a valid lease or leases to him for the term and at the rent or rents agreed upon, and that I will not avail myself of any right of forfeiture under the terms of my agreement with Mr. Bedford till I have given you notice thereof and afforded you an opportunity of doing and performing the matters and things in respect of which Mr. Bedford may happen to be in default, and that upon your doing and performing such matters and things all rights and forfeitures accruing to me by reason of any default on the part of Mr. Bedford shall be waived, and that your sub-lease when granted shall not be forfeited by any default except your own."

The dispute between the parties turned on the construction of the last few words of this letter. Mr. Gillespie contended when the sub-lease was granted the bank should have the right to prevent loss to themselves by forfeiture by having notice and the option of performing the acts necessary so to prevent a forfeiture. The bank, on the other hand, contended that the last clause was to be read separately and distinctly from the previous part of the letter. They contended that while the building was not executed they had a right to prevent forfeiture by their own performance of what was required, but that after they got their sub-lease by a forfeiture of the superior lease they would become tenants of Mr. Gillespie on the terms of their sub-lease, under which they would pay no rent for 14 years. The learned judge after reviewing the whole of the facts of the case said that in the construction put upon the document by the plaintiff there was apparent a certain amount of tautology; while if that for which the defendants contended were to prevail, there might be a period, possibly a long period, between the execution of the builder's lease and the sub-lease, when the bank would be liable to forfeiture for acts over which they had no control. It seemed to him more reasonable and probable that there should be tautology and that such omission should have been made, and he held the plaintiff's construction to be correct, and directed that the lease should be granted so as to carry out that construction.

This case seems to suggest the desirability of Banking Companies referring all such business to their solicitors at the very outset.

SUPREME COURT OF JUDICATURE.

COURT OF APPEAL, WESTMINSTER, NOV. 7 & 8.

(*Common Law Division on Appeals from the Common Pleas Division, before Lord Justice BRAMWELL, Lord Justice BRETT, and Lord Justice COTTON.*)

SMITH v. WEST.

THIS case involved an important question as to the liability of a party on a guarantee given to bankers for advances made on securities, in the case of their having allowed the debtor to deal with the securities. The plaintiffs, who are bankers, were in the habit of making advances to one Kelsey, a corn merchant, at Hull, on the security of shipping documents deposited with them and the defendant and another person gave them a guarantee for £10,000, on which the present question has arisen. The guarantee was in these terms, dated Hull, 31st of March, 1874:—"Memorandum. That in consideration that Messrs. Samuel Smith, Brothers, and Co. of Hull, bankers, are to give credit to Mr. Castle Kelsey, of Hull, corn merchant, we, William Leetham, shipowner, and William Fisher West, corn merchant, both of Hull, hereby guarantee to Messrs. Samuel Smith, Brothers, and Co. (or whatever persons their firm for the time may consist of) the payment of all moneys which shall at any time, and from time to time become due to them from the said Mr. Castle Kelsey. This guarantee not to extend beyond the sum of £10,000, and interest thereon from the date due, and to be guaranteed by us in equal proportions, that is to say, £5,000 and interest thereon by Mr. Wm. Leetham, and £5,000 and interest thereon by Mr. William Fisher West. This guarantee to terminate on the 31st of March, 1877, on our paying (if demanded) the amount which may then be due from Mr. Castle Kelsey to Messrs. Samuel Smith, Brothers, and Co., not exceeding the above mentioned lien of £10,000 and interest. (Signed) W. Leetham, Wm. Fisher West." On the faith of the guarantee the plaintiffs gave credit to Kelsey, and large sums became due from him to them, of which, on the 15th of October, 1874, more than £10,000 was, and is still unpaid. It appeared that the course of business was that Kelsey deposited the "shipping documents" with the bankers, and that then afterwards he obtained them back from the bankers, giving them written "engagements" in lieu of the documents, the "engagements" being to pay them the proceeds; and so the dealings went on until the 15th of October, 1874, when he presented a petition for liquidation. On that date, Kelsey having failed to apply the proceeds of the cargoes to the bills, so that the bankers were unpaid to a large amount, they demanded from Mr. West the sum of £5,000 as due on his guarantee, and to recover that sum this action was brought. The defendant set up as a defence, that the guarantee was given on the representation that if it was given the plaintiffs would give to Kelsey an open and unsecured credit to the amount of £10,000 over and above the amount included in the guarantee, and that such

credit was not given, but that the only credit the bankers had given was by their accepting, at his request, bills drawn by the vendors of goods, for the price of which the bills were given, and that the bankers in exchange for the bills always received the bills of lading or other shipping documents for the goods as securities; and, further, that the plaintiffs received from the sale of the goods represented by bills of lading and other shipping documents, and warehouse warrants, and from Kelsey, sums sufficient in amount, and specifically appropriated by Kelsey, or otherwise primarily applicable, to cover the whole of the credit given to Kelsey by the plaintiffs since the giving of the guarantee, and that the plaintiffs, without the knowledge and consent of the defendant, negligently and improperly gave up to Kelsey and intrusted him with the bills of lading and other shipping documents, &c., so deposited with the plaintiff as securities, and permitted him to sell, in his own name as the absolute owner thereof, the property represented by the documents, and to receive the money in his own name, whereby he was enabled to and did receive the proceeds, which would otherwise have been applicable and sufficient in amount to satisfy the sums claimed under the guarantee. At the trial before Mr. Justice Quain he directed the verdict for the plaintiffs; but a divisional court, constituted of Mr. Justice Grove and Mr. Justice Lindley, set aside the verdict, and granted a new trial in favour of the defendant, on the ground that the facts were not sufficient to sustain a verdict for the plaintiffs. The plaintiffs had appealed from that decision, and the case was argued at great length.

The Solicitor-General, for the plaintiffs (the bankers); Mr. Cohen, Q.C., for the defendant (the surety).

The main points argued were, first, whether the guarantee was for the current account; and next, whether, if it was so, the surety was discharged by the bankers having given up the "shipping documents" to Kelsey, the debtor. In the course of the arguments the question appeared to reduce itself, in the view of the court, to the latter point—whether the bankers by parting with the documents had relieved the surety from liability. On this question Mr. Cohen and the learned Solicitor-General addressed the court.

Mr. Cohen, for the surety, urged that he was discharged, and

The Solicitor-General replied on the part of the plaintiffs, urging that they had only acted in accordance with the course of business, and had not discharged the surety.

The Court at once gave judgment in favour of the plaintiffs, the bankers, upholding the appeal, and reversing the judgment of the Common Pleas Division.

Lord Justice Bramwell, in giving his judgment, said that in his view the case was clear for the plaintiffs. The first point was whether the guarantee was for the current account, the antecedent debt, as well as the current and future debts, and he thought it was. It was known that Kelsey had an account with the bankers

when the guarantee was given, and in its terms it applied to and included antecedent debts. But even if it did not, it appeared that there were advances, more than £5,000, since the guarantee was given, and which had not been paid. It might be that Kelsey had been paying off old debts with the proceeds of new consignments, but the bankers could not know that. Then, as to the bankers giving up the "shipping documents" to Kelsey, it was in accordance with the course of dealing before the guarantee, and was only continued afterwards. It was not an improper course of dealing; on the contrary, it was to enable Kelsey to get delivery of the cargoes, and to realize them, and apply the proceeds to the payment of the bills given, and if he had acted properly he could have done so; and the plaintiffs, the bankers, were in reality trusting, not to his solvency, but his honesty, for if he had done as he ought to have done he could have realized and applied the proceeds for them, whether he was solvent or not, the cargoes being specifically appropriated to them. The bankers' course of dealing, therefore, was quite proper. The case was perfectly plain, and he could not help thinking that if the learned Judges had perceived that the facts were as they had appeared on the evidence, they would not have disturbed the verdict found under the direction of Mr. Justice Quain.

Lord Justice Brett concurred. The bankers, he said, had acted in accordance with the course of dealing between them and Kelsey, and had acted quite properly. The bills of lading had always been given up to Kelsey to receive and realize the cargoes, and they had only kept up and continued the same course of dealing as before. In truth, the bills of lading were not the securities, for the bankers were bound to give them up to Kelsey, to enable him to get delivery of the cargoes, and therefore the documents were not parted with so as to relieve the surety, for they were not given up to him to deal with as he pleased, but that he might apply the proceeds to the benefit of the bankers and in discharge of their advances. Even if the bankers were under no obligation to give up the bills of lading, their parting with them for that purpose would not, in his opinion, have discharged the surety.

Lord Justice Cotton also concurred on both points, both as to the construction of the guarantee and the effect of the giving up the documents. What was done with the bills of lading was in accordance with the regular, ordinary course of business, and there was no impropriety, and so no discharge of the surety. The customer Kelsey was to have the bills of lading to enable him to receive and realize the cargoes, in order that he might pay the proceeds to the bankers in discharge of their advances. It was true this was not known to the surety, but then sureties were only entitled to the benefit of the securities according to the course of dealing between the parties. To discharge a surety there must have been an alteration of the position of the parties, but here there was only a following of the course of dealing between them.

Judgment for the plaintiffs.

SUPREME COURT OF JUDICATURE, Nov. 13.

COURT OF APPEAL.

(Sittings at Westminster, for Appeals from the Common Pleas Division, before Lords Justices BRAMWELL, BRETT, and COTTON.)

GRANT V. THE BANQUE FRANCO-EGYPTIENNE.

This was an appeal from the decision of the Judges of the Common Pleas Division on the proceeding by the French Bank against Messrs. Grant to recover a sum of £250,000, alleged to be in their hands, as belonging to the Atlantic and Great Western Railway Company of America, and which the French Bank claimed to be entitled to recover from that Company. The proceeding was by the French Bank in the Lord Mayor's Court, by way of what is called "foreign attachment"—that is, the attachment or seizure by the plaintiff of moneys held by some one in the City of London for the parties sued—*i.e.*, in this case alleged to be held by Messrs. Grant for the Atlantic and Great Western Railway Company. The appeal was decided in favour of Messrs. Grant.

BILLS OF EXCHANGE AGENCY.

If bills of exchange are sent by a correspondent of a merchant to be received and the money to be applied to a particular use, and the merchant becomes bankrupt before the money is received on the bills, the correspondent has a special lien in respect of those bills, and the proceeds will not be divided amongst the creditors at large: See 1 East, 544; *Ex parte Ourself*, Amb. 297.

It is otherwise where the bills are sent on a general account: See *Bolton v. Puller*, 1 B. & P. 539.

Where short bills are remitted to a banker on a general account, they cannot, on his bankruptcy, be claimed by the remitter; but is remitted for a particular purpose, they must be applied to that purpose: See *Ex parte Rowan*, 1 Rose. 15.

Where indorsed bills of exchange are deposited by a customer with a banker, the latter has the absolute power of disposing of them; and in the event of his bankruptcy, though the customer might recover such bills as remained in specie, subject to the banker's lien for the balance of his account, yet he cannot follow the proceeds if they have been converted. Such absolute property, however, may be qualified by circumstances, as where the banker is agent for his country correspondent to receive and pay bills for him, with an allowance for so doing; or where, in an annual account stated between them, the banker has entered the bills as the property of the correspondent. In the one case the latter is considered as a factor, and the bills are remitted for a particular

purpose; viz., to be received and carried to account as cash when due. The banker's power over them is in that case limited. In the other case an express declaration of trust is raised: (*Ex parte Pease, Re Boldero*, 1, Rose, 232.) So short bills are to be delivered up upon a bankruptcy, subject to the bankruptcy lien, and an indemnity to the estate against the engagements on account of the party claiming them. Whether bills are to be considered short or not does not depend upon the particular mode of entering them in the banker's books, but upon the mode of dealing between the parties, and all the circumstances together: (*Ex parte Pease, Re Boldero*, referred to above.)

Reports of Joint Stock Banks.

THE BELFAST BANKING COMPANY.

Report of the board of superintendence, submitted to the proprietors at their annual general meeting, 12th October, 1877.

The board of superintendence beg leave to present their report for the past year to the shareholders of the Belfast Banking Company, at their fiftieth annual meeting. It appears, by a written statement laid before the board by the directors, signed and certified by them, and by the general manager and the chief accountant, in terms of the special resolution, dated the 19th January, 1866, that the net profits of the bank for the year ended the 31st July last (after making provision for bad and doubtful debts) amounted to the sum of £47,849. 11s. 8d. Out of this sum, the shareholders have been paid dividends on the old shares at the rate of 20 per cent. per annum, and on the new shares at the rate of 8 per cent. per annum, amounting in the whole to the sum of £35,000; and the balance of £12,849. 11s. 8d. has been carried to the credit of the profit and loss account. The subscribed capital of the bank is £1,000,000 sterling. The paid-up capital stands as before at £250,000, and the reserve fund at £125,000. The balance at the credit of the profit and loss account now stands at the sum of £93,896. 14s. 10d. The recommendation contained in the report of the year 1873, to the effect that the balance to the credit of the profit and loss account should be gradually increased to £100,000, has been since then steadily kept in view; and after it shall have reached that amount, it will be a matter for future consideration to what extent this sum shall be applied in adding to the reserve fund. We regret to state that the general trade and manufactures of the country still continue in a depressed state. No marked improvement has as yet taken place; and the rates of interest for money have, in consequence, been unusually low during the past year. Since the date of the last annual report, a branch has been opened at Donegal, and a sub-branch at Waterside (Derry).

CHARTERED BANK OF INDIA, AUSTRALIA, AND CHINA.

An extraordinary general meeting of the shareholders of the above bank was held on 17th October, at the offices in London.—Mr. W. Paterson, who presided, said the meeting was called to declare an interim dividend, and for the election of Mr. James Whittall as a director. The business of the bank was progressing satisfactorily, and no doubt it would be gratifying to the shareholders to know that the accounts justified the directors in recommending a somewhat better dividend than was declared at the corresponding period of the previous year. The board at that time were engaged in providing for the depreciation in the

value of silver, and at their last annual meeting he was enabled to inform the shareholders that they had done so, and that the capital employed abroad in that medium had been so placed that it could be easily converted into gold, even in the event of another silver panic. Since then there had been considerable fluctuations in the value of silver, but they had avoided as far as they could entering into "long-forward purchases." Indian banking business ought now to be very safe, and at their annual meeting he hoped to be able to show that the result of the year's operations had been satisfactory. He then moved the payment of a dividend for the half-year at the rate of 6 per cent. per annum, tax free. The resolution was seconded, and carried unanimously. Mr. James Whittall, of the firm of Jardine, Matheson, and Co., of China, was declared elected a director of the bank, having joined the board prior to their last meeting. Votes of thanks to the chairman, managers, and staff terminated the proceedings.

LONDON CHARTERED BANK OF AUSTRALIA.

THE half-yearly meeting of the proprietors of this bank was held on the 16th November, at the City Terminus Hotel, Cannon-street; Mr. FANE DE SALIS in the chair.

The SECRETARY, Mr. W. M. Young, having read the notice convening the meeting,

The CHAIRMAN said they had met for the purpose of declaring an interim dividend; after which they would be called upon to elect a director in the place of Mr. Charles Falconer, whom failing health and advancing years had compelled to retire from the board. Taking the declaration of the dividend first, from the abstract of the bank's operations for the half-year, which had been circulated amongst the proprietors, it would be remarked that the disposable balance amounted to £49,647. 0s. 9d., from which £40,000 would be appropriated towards paying the usual dividend at the rate of 8 per cent., leaving a balance of £9,647. 0s. 9d. to be carried forward to next account. The half-year under review had not been a favourable one for banking. In this country a continued deep depression in trade, accompanied by unusually low rates of interest, had militated against all banking profits. In Australia, although the same great depression in trade had not prevailed, all had not been sunshine, for the difficulties the colonists had to contend with had been great. The constant rumours of impending war which a few months ago paralysed the markets of Europe—telegraphed as they were day by day to Australia—tended to interrupt the normal course of trade there, more than in England, and the reason was obvious, for in the colonies war was viewed in even a more serious light than at home, for it involved the possible interruption of the free transit on the ocean of those exports on which the income and general prosperity of the colonies depended. In Victoria the late drought had induced a partial failure of the harvest, necessitating there a considerable import of breadstuffs from abroad and it had also occasioned large losses of sheep and cattle through insufficient feed. Indeed, up to the end of last August all the colonies appeared likely to be visited with a second drought, equalling some of the worst dry seasons remembered with such dread by the early settlers, for under the effects of the second drought in some districts all vegetation had disappeared from the surface of the earth, while sheep and cattle were dying by the thousand, when providentially rain came to avert what might have proved a great national calamity. The effects of the second drought, however, so far as they had gone, would be severely felt, not only through the losses of sheep and cattle it had caused, but the clip now in course of shearing must necessarily be deficient both in quality as well as quantity, for it was impossible that a full sound fleece could be shorn from half-starved sheep. Viewing the great trials the colonies had undergone, it was gratifying to the directors to be able to state that the bank's business had not suffered, and that they were able to offer them the usual dividend at the rate of 8 per cent. The latest advices received from Mr. Brett,

their esteemed representative in the colonies, extend to 16th September, and represented the bank's position as satisfactory, their discounts, deposits and circulation being reported as well maintained, with full employment for all their available funds. It was pleasing to add that their telegraphic advices which reached to the 5th inst. confirmed these satisfactory accounts. In connection with the colonies, there were some occurrences during the past half-year which, calculated as they were to give additional security to property, banking and commerce, had considerable interest for them. In New South Wales the late drought had suggested the necessity of securing a permanent water supply for the large towns, and an eminent English engineer, Mr. Clarke, had been employed by the Government to report on the water supply of Sydney, Maitland, Newcastle, and other cities. His attention would also be directed to the best mode of providing a water supply for the country districts, for which purpose New South Wales offered great facilities. Its average rainfall was 35 inches, and its great dividing range contained numerous deep valleys admirably adapted for the formation of reservoirs, which, if constructed, would secure extensive tracts of country against drought, and give them a fertility they had not previously possessed. The fear of impending war, to which he had alluded, had also directed a large share of public attention to the coast defences of Australia, upon which subject two distinguished engineer officers, Sir William Jervois and Colonel Scratchley, had, after making the requisite surveys with the assent of the Home Government, presented reports to the Executive authorities of Victoria, New South Wales, and Queensland, and their recommendations had been very favourably received. (Hear, hear.) It was to be remarked that this was a subject which had considerable interest for Australian banking. The cities of Melbourne and Sydney, apart from the large capital embarked in their varied enterprise, were, in point of fact, the chief depositories of the wealth of the Southern Hemisphere, for the banks held there on deposit no less a sum than 37 millions sterling, with coin and bullion exceeding seven millions. In the past century, and the century which preceded it, visions of plunder much less inviting had induced hostile fleets to place the defenceless cities of the Spanish American colonies under heavy contributions; and it would be gratifying to all persons interested in Australian commerce to know that the foresight and public spirit of its inhabitants were now about to adopt measures which would render it impossible for any hostile ships of war to force their way into the ports of Melbourne and Sydney for the purpose of raising contributions, which, if levied, it was clear must fall heavily on the banks as custodians of the capital of the colonies. In connection with this subject he might add that Newcastle—where, they would recollect, they had opened a branch a short time ago—had not been forgotten in the scheme of coast defences. As the great coal depôt of the South Pacific, and as producing an article now become most essential to naval warfare, it was to be fortified so that no hostile cruiser would ever enter there either to obtain coal or to destroy the coal stores of the colonies. These matters were, strictly speaking, not banking, but, as tending to give security under all eventualities to commerce as well as to the large banking capital embarked in the Australian colonies, they would be received by them with interest. (Hear, hear.) The next matter before the meeting, after the declaration of a dividend, was the election of a director in the place of Mr. Falconer, who under the pressure of advancing years and increasing infirmities, after a period of thirty-five years' service, had felt compelled to retire from the board. Mr. Falconer was thoroughly acquainted with the colonies, having been one of the chief colonial founders of the bank which he had gone out to the colonies to establish, and the directors believing that the bank's success was, in great part, due to the fact that the board had always comprised some gentlemen of colonial experience, had considered it essential that Mr. Falconer's place should be supplied by a colonist of position and experience. Acting on this view, in conformity with the directions contained in the deed of settlement, they had provisionally appointed Mr. Aitchison to fill the vacancy occasioned by the retirement of Mr. Falconer. Mr. Aitchison now offered himself as a candidate for a permanent seat on the direction—a post for which, not

only his large colonial experience, acquired by him during a residence of many years in the colonies, but also his standing and position in the City as director of the Australian Mortgage Land and Finance Company, and the Marine Insurance Company—the latter, one of the largest insurance companies in the world—eminently qualified him, and the board now cordially recommended him to the proprietors for election. After expressing his readiness to reply to any inquiries, the chairman concluded by moving the declaration of an interim dividend at the rate of 8 per cent.

Mr. EARNEST ALERS HANKEY briefly seconded the motion.

Mr. WILLIAM BOTLY had listened with attention to the interesting information conveyed by the chairman in his address, and felt much gratified by his assurance that the bank's business had not suffered through the difficulties the colonies had to contend with. The attention paid by the colonists to their coast defences was a step in the right direction. A dividend at the rate of 8 per cent. was a fair return on their capital, and they ought to be satisfied with it. He considered it very strange that, while there was a plethora of money in this country, capitalists had not had their attention drawn to the fact that the Australian banks received deposits in this country for fixed periods, and allowed a good rate of interest. He and several of his friends had made considerable investments on deposits in Australian banks, and he believed the public generally would do so also, if made acquainted with the liberal terms, combined with undoubted security, they offered. He supported the motion.

Mr. BAYLIS, Q.C., said the appointment to a seat at the board of a gentleman of such large colonial experience as Mr. Aitchison was a source of much gratification to him, as it was obviously essential to the bank's interests that men well acquainted with the colonies should be on the management. The directors of some companies sought only to appoint their own friends, and it was pleasing to him, as a considerable shareholder, to remark that the board, in lieu of doing so, sought to select gentlemen who would advance the bank's interests. As regards deposits he trusted the directors would not accept more fixed deposits than they had full means of employing. The bank's paid up capital was a million, and no fixed deposits should be accepted until it was fully and profitably employed. (Hear, hear.)

The CHAIRMAN said that the board were not anxious to accept a large amount of fixed deposits in England, and of course they would not have decided to accept them at all, unless they saw their way clearly to investing them with advantage in the colonies. Their limit as to the amount of deposits accepted in England had for some time stood at £200,000, but lately this had been somewhat extended. They took no deposits, however, for a shorter period than two years. The bank's advertisement, which appeared frequently in the papers, stated that they accepted fixed deposits in this country, and that the terms might be ascertained on application to the secretary.

The motion for the declaration of a dividend having been put, and carried,

Upon the motion of the Chairman, seconded by Mr. C. G. Barnett, Mr. David Aitchison was unanimously elected a director, in the place of Mr. Chas. Falconer, retired.

The proceedings closed with a vote of thanks to the chairman and directors.

THE NATIONAL BANK OF LIVERPOOL, LIMITED.

THE directors of the National Bank of Liverpool, Limited, present to the proprietors their twenty-fifth report, for the half-year ending 30th June, 1877. The following are the duly audited accounts of the bank:—

ASSETS.			
Cash in hand and at Bank of England	.. .. .	£138,572	12 4
Due to the bank on bills discounted, loans to customers, &c.	.. .. .	1,331,156	15 0
Bank premises	.. .. .	25,000	0 7
Total assets	.. .. .	£1,494,729	7 11

LIABILITIES.

Due by the bank on deposit and current accounts, &c...	..	£830,485	10	4
Acceptances	..	79,421	8	8
Total liabilities to public	..	£909,906	19	0
Capital paid-up, £450,000; reserve fund, £110,000; rebate at 3 per cent., £3,459. 9s. 7d.; profit and loss, £21,362. 19s. 4d...		584,822	8	11
		£1,494,729	7	11

PROFIT AND LOSS ACCOUNT.

Balance from last half-year	£3,509	16	9
Net profit for half-year ending, 30th June, 1877, after writing off bad and providing for doubtful debts, £21,312. 12s. 2d.; less rebate at 3 per cent. on current bills, £3,459. 9s. 7d...	17,853	2	7
	£21,362	19	4

The above accounts show a net profit for the half-year of £17,853. 2s. 7d., to which must be added £3,509. 16s. 9d., brought forward from last account, making together £21,362. 19s. 4d. available, which the directors have applied as follows:—To an interim dividend of 10s. 6d. per share, free of income tax, being at the rate of £7 per cent. per annum, £15,760;* to profit and loss new account, £5,612. 19s. 4d., together £21,362. 19s. 4d. The directors regret to announce the retirement from the board of Mr. John Grant Morris. The vacancy thus occasioned has been filled by the election of Mr. James Sawers.

NORTH OF SCOTLAND BANKING COMPANY.

REPORT by the directors to the forty-first annual general meeting of the shareholders, held at Aberdeen, 2nd November, 1877.

The directors have the pleasure of submitting their report for the financial year ending 29th September, 1877, and a statement of the bank's affairs at that date. The net profits of the year, after all bad and doubtful debts are provided for, are £55,191. 17s. 10d. The balance of profit brought forward from the previous year's account is £4,494. 5s., together £59,686. 2s. 10d. The May half-yearly dividend, at the rate of twelve and a-half per cent. per annum, free of income tax, amounted to £24,611. 5s.; a similar dividend, payable 2nd November, will absorb £24,611. 5s., and the directors declare a bonus of one and a-quarter per cent., also payable, free of income tax, on 2nd November, £4,922. 5s., and apply to further reduce the cost of bank buildings—£1,000. The remainder, £4,541. 7s. 10d., is carried to profit and loss account of next year. The reserved fund amounts to £202,001. The directors have had the satisfaction of receiving £3,209. 12s., being payment in full of old balances which had been discharged, and long ago written off. These are not included in the above accounts, and the directors now recommend that the amount—£3,209. 12s.—be set apart to form the nucleus of a fund for the benefit of officials of the bank, to be applied in assisting them to provide guarantees, insurances, or otherwise, as may be deemed most advantageous. By the death of Mr. James Forbes Beattie, in January last, the board lost the co-operation of a gentleman whose extensive acquaintance with the district, and general business experience, were for many years of value to the bank. Mr. Ferguson, of Kinnmundy, is not eligible for election this year, and for the two vacancies thus occasioned, the directors respectfully recommend that their former colleague, Mr. Angus, and Mr. George James Walker (of Messrs. Walker and Beattie), land surveyor, Aberdeen, be chosen. The other members of the board, who are eligible for re-election, again offer their services.

* This rate has been paid each half-year since July, 1875.

LIABILITIES.

<i>Dr.</i>			
Paid-up capital	£393,780	0	0
Reserved fund—invested, per contra	202,001	0	0
Notes in circulation	342,801	0	0
Lodged with the bank on accounts current and deposit receipts, with interest added	2,593,441	18	5
	£3,532,023	18	5
Balance of profit and loss account, £59,686. 2s. 10d.; less dividend paid in May, £24,611. 5s.	35,074	17	10
	£3,567,098	16	3

<i>Cr.</i>			
ASSETS.			
Gold and silver coin, and notes of and balances due by other banks	£297,786	14	4
Government and other stocks	217,023	18	8
Investment of reserved fund—£125,000 stock in the 3 per cent. consols, £50,000 stock in the new 3 per cents., £11,100 stock of the Bank of England, £18,800 Canadian Government 4 per cent. guaranteed bonds	202,001	0	0
	£716,811	13	0
Bills of exchange, local and country bills, advances on cash credits, and other accounts and securities	2,791,305	10	0
Banking houses and ground at head office and branches, cost—£93,844. 9s. 5d.; written off, as formerly reported, £34,862. 16s. 2d.	58,981	13	3
	£3,567,098	16	3

Statement of Surplus Funds.

Reserved fund, 30th September, 1876	£201,686	0	0
Premiums received on new shares during the year	315	0	0
Balance of profit and loss account, 29th September, 1877	59,686	2	10
	£261,687	2	10
Dividend paid on 4th May last, £24,611. 5s.; do. payable on 2nd November proximo, £24,611. 5s.; bonus, 1½ per cent. on 2nd November proximo, £4,922. 5s.; banking houses, in reduction of cost, £1,000; reserved fund, 29th September, 1877, £202,001; carried to profit and loss in new account, £4,541. 7s. 10d.	£261,687	2	10

The chairman in the course of his speech adverted, he said, with much pleasure to the highly honourable conduct of those gentlemen who had voluntarily repaid the balances of certain old debts, with interest thereon, which had long ago been written off. The amount so received exceeded £3,000, and, as stated in the report, had been kept separate from the year's profits until the sense of the shareholders should be obtained as to its disposal. Prior to the receipt of this money, he said, the directors had more than once had in contemplation the formation of a guarantee or other fund for the benefit of the officers of the establishment, some such provision now coming to be generally recognised among banks and other institutions of the kind. The remarks of the chairman relative to the formation of a fund for the benefit of their officers were cordially supported by the speakers who followed, and were adopted by the meeting, which terminated with a vote of thanks to the directors and the chairman.

ORIENTAL BANK CORPORATION.

THE half-yearly, or interim, meeting of the proprietors was held 18th October, Mr. George Arbuthnot in the chair:

Mr. Patrick Campbell, the chief manager of the bank, read the notice calling the meeting, and also the approximate statement of accounts, which showed a profit of £80,897.

The CHAIRMAN reminded the shareholders that it was an interim meeting, at which the board did not present any audited statement of accounts, but having gone through the various statements from branches, found themselves in a position to declare a dividend. He had therefore simply to declare a dividend, which he did by authority of the court of directors, of £1. 6s. per share, being at the rate of 10 per cent. per annum. Having discharged that duty he had no doubt that the shareholders would be aware that they met for the simple object of declaring an interim dividend, and therefore, having no resolution to move, he need not detain the meeting by making any lengthy observations. He had been in hopes that the corporation would have been able to give a better dividend, or one more like that which the shareholders had been accustomed to receive prior to a year ago. Unfortunately circumstances had been against the possibility of making any large banking profits. Most of the shareholders would be aware that there had been a period of great stagnation in trade and commerce; speaking generally, the reports received from agents and branches were to the effect that there was little or no business doing. True, the fluctuations in the exchanges had not been so excessive as at the corresponding period of the previous year, but still they had been arbitrary and most embarrassing, sometimes taking a jump, without any apparent or reasonable cause, of from 1 to 2 per cent. in a single day. That of course had been a great source of anxiety to those entrusted with the executive of the management. Then again, the disturbed state of political affairs during the earlier portion of the period under review necessarily very much affected the bank, and necessitated the exercise of the utmost prudence and caution. Then it was a question as to whether there would be war or peace; and when eventually the war broke out it did not tend to improve matters or lessen the anxiety or difficulties of those to whom the conduct of the bank's business was committed. But, as if to add to the difficulties, there had been a most severe famine in India, which, he was sorry to say, was still raging, and that as a matter of course had a most inimical effect upon the bank's business. Under those circumstances he thought that the shareholders would agree with him in thinking that all charged with the conduct of affairs had done their best and that the results so far as they had been ascertained were most satisfactory. From the approximate statement of accounts which had been read to the meeting he noted that the bills in circulation not bearing interest were £1,000,000 less than at the corresponding period of the previous year, and that alone would be sufficient indication of the state of business. At present all seemed going on fairly well, and though he was most unwilling to predict, he hoped for better things, but at the same time he would not hold out any hopes to the shareholders that a better or increased dividend would be declared at the close of the year. In conclusion he could only say that if any shareholder had any question to put he should be most happy to answer it, and afford any further information desired.

The meeting terminated with a unanimous vote of thanks to the chairman for his courtesy in presiding.

ROCHDALE JOINT STOCK BANK, LIMITED.

REPORT of the directors presented to the shareholders at the general meeting held 6th November, 1877:—

Annexed the directors present to the shareholders the usual statement of accounts for the half-year ending September 29th, 1877. After payment of current expenses and interest on deposits and accounts current and providing

for bad and doubtful debts, there remains (including a balance of £262. 16s. brought from last half-year), £1,338. 2s. 7d., which the directors propose to apportion as follows:—£985. 4s. to the payment of a dividend at the rate of $7\frac{1}{2}$ per cent. per annum, £110 to be added to reserve, and £242. 18s. 7d. to be carried forward to the profit and loss new account. The bank premises have been repaired and decorated throughout and the cost of same charged to the half-year's revenue account.

Balance-sheet, 29th September, 1877.

<i>Dr.</i>			
Capital, being £4 per share on 6,568 shares	£26,272	0	0
Reserve fund	5,357	0	0
Lodgments on current and deposit accounts, &c. .. .	59,204	18	9
Balance, being profit as per profit and loss account	1,338	2	7
	<u>£122,172</u>	<u>1</u>	<u>4</u>
<i>Cr.</i>			
Bills of exchange, credits, &c., &c.	£107,470	11	6
Cash in hand and with agents	12,457	14	0
Bank premises, fixtures, and furniture.. .. .	2,243	15	10
	<u>£122,172</u>	<u>1</u>	<u>4</u>

Profit and Loss Account for half-year ending September 29th, 1877.

<i>Dr.</i>			
To current expenses, including interest on deposit and account current balances, directors' and auditors' remuneration, salaries, chief rent, rates, taxes, printing, stationery, stamps, &c., &c.	£2,126	13	8
Dividend account for payment of a dividend of $7\frac{1}{2}$ per cent. per annum on £26,272 amount of paid-up capital on 6,568 shares	985	4	0
Reserve account	110	0	0
Carry forward to profit and loss new account	242	18	7
	<u>£3,466</u>	<u>16</u>	<u>3</u>
<i>Cr.</i>			
Balance March 31st, 1877	£262	16	0
Since added	3,204	0	3
	<u>£3,466</u>	<u>16</u>	<u>3</u>

THE STANDARD BANK OF BRITISH SOUTH AFRICA, LIMITED.

REPORT of the directors submitted to the twenty-eighth ordinary meeting of proprietors, 26th October, 1877, Mr. Daniel Mackenzie in the chair.

The directors submit to the proprietors the accounts of the company for the half-year ending 30th June, 1877, showing a profit—after payment of charges, appropriation to bank premises and furniture accounts in South Africa, making full provision for all bad and doubtful debts, and inclusive of the balance of £3,045. 11s. 9d. brought from the previous account—of £81,434. 2s. 2d. which they recommend should be disposed of as follows, viz.:—Rebate on bills discounted £30,197. 8s. 3d.; dividend of 25s. and bonus of 5s. per share on 24,000 shares (being at the rate of 12 per cent. per annum), £36,000; extra bonus of 5s. per share on 24,000 shares, £6,000; pension and guarantee fund, £5,000; balance carried forward to profit and loss new account, £4,236. 13s. 11d., together

1024 *The Standard Bank of British South Africa.*

£81,434. 2s. 2d. The directors have, for some time past, had under their consideration the propriety of forming a pension and guarantee fund for the officers of the bank, similar to that of other kindred institutions, and the present appearing to them a suitable opportunity for commencing such a scheme, they now recommend the appropriation of the above sum of £5,000 to the object. The directors have to report that the transfer of the business and assets of the London and South African Bank upon the terms of amalgamation approved of by the shareholders of this bank at the special general meeting, on the 19th June last, has been satisfactorily carried out, the arrangement giving every prospect of beneficial results to this bank. The directors have further to report that they have appointed to seats at the board Sir William Henry Drake, K.C.B., and Alexander Croll, Esq., gentlemen who were at the time of the amalgamation of the two banks, directors of the London and South African Bank. These appointments the proprietors are now asked to confirm.

Balance-sheet, June 30th, 1877.

Dr.

Capital, viz. :—

24,000 shares, £25 called up	£600,000	0	0
Circulation—Notes, £269,782; post bills, £13,461. 7s. 4d.	283,243	7	4
Liabilities on deposit and current accounts	3,029,387	14	3
Bills payable and other liabilities	801,894	9	8
Bills received for collection	841,768	17	8
Reserve fund	170,000	0	0

Profit and loss, viz. :—

Balance 31st December, 1876, £3,045. 11s. 9d.; net profit for half-year ending 30th June, 1877, after making full provision for all bad and doubtful debts, £48,191. 2s.; rebate on bills discounted and not yet due, £30,197. 8s. 3d.	81,434	2	2
	<u>£5,807,728</u>	<u>11</u>	<u>1</u>

Cr.

Cash with bankers and at branches	£1,022,869	3	11
Bills discounted, remittances from branches, advances on securities, &c.	3,865,410	11	10
Bills receivable, as per contra	841,768	17	8
Freehold premises in London	22,746	5	2
Bank premises, furniture, fittings, &c., in South Africa	54,933	12	6
	<u>£5,807,728</u>	<u>11</u>	<u>1</u>

PROFIT AND LOSS ACCOUNT.

Dr.

Charges, including rent, salaries, taxes, remuneration to directors and auditors, and all other expenses at head office and branches	£34,249	11	10
Balance carried down	81,434	2	2

£115,638 14 0

Cr.

Gross profits (including balance of £3,045. 11s. 9d. brought forward from half-year ending 31st December, 1876), after deducting interest on deposit and current accounts, duty on note circulation, appropriation to bank premises, furniture and fittings, and making full provision for all bad and doubtful debts	£115,683	14	0
	<u>£115,683</u>	<u>14</u>	<u>0</u>

APPROPRIATION.

<i>Dr.</i>				
Rebate on bills discounted, and not yet due	..	..	..	£30,197 8 3
Dividend of 25s. per share, and bonus of 5s. per share (being together at the rate of 12 per cent. per annum)	..	..	..	36,000 0 0
Extra bonus of 1 per cent.	..	..	..	6,000 0 0
Pension and guarantee fund for bank's officers	..	..	..	5,000 0 0
Balance carried forward to profit and loss new account	..	..	..	4,236 13 11
				£81,434 2 2
<i>Cr.</i>				
Balance, 31st December, 1876	..	..	..	81,434 2 2

RESERVE FUND.

<i>Dr.</i>				
Balance	..	..	..	£170,000 0 0
<i>Cr.</i>				
Balance, 31st December, 1876	..	..	..	£170,000 0 0

The following remarks of the chairman will be of interest to our readers :—

"With regard to the appropriation of the profits, first as to the pension fund, which the directors recommended on this occasion, they did not deem it desirable to add to the reserve fund. The reserve fund had been raised by very rapid strides from a very small sum indeed up to the large sum of £170,000, and as they were commencing a new partnership with the adoption of the shareholders of the London and South African Bank, they deemed it their duty in the interest of the old shareholders to divide the profits somewhat closer than they had been in the habit of doing, and as they had decided on creating a Pension Fund they might expect a slight explanation from him as to its object. They were all aware they had a very large staff of officers in South Africa and in London; those men were in the prime of life, and devoting their best energies to the service of the bank, but in the interest of the shareholders the directors could not afford to give them too large salaries; the consequence was that in a country like South Africa, where the expenses of living were high, it was next to impossible for them to save anything out of their salaries to provide for old age or failing health; it therefore appeared to the board to be their duty to make some provision for the deserving officers in their employ. It was their intention to combine with the pension fund a guarantee fund, but there were difficulties in the way, as a considerable number of the officers were already guaranteed by an association, and the applicable premiums had been fully paid up. The sum they proposed to apply to the pension fund was £5,000, and probably there would be no demand made upon it for the next ten or fourteen years, by which time at 5 per cent. compound interest it would amount to £10,000, and he had no doubt from time to time, as profits admitted it, further sums would be added to so desirable an object. The next subject was the dividend. He had no doubt none of them would object to the 12 per cent.; they had fortunately been able to declare that for the last three or four half-years, but the extra bonus of 1 per cent. was something new, and the directors had carefully worded it as an extra bonus, as they wished the shareholders distinctly to understand it was an extra bonus, and they must not be disappointed if they did not receive it at the next half-year. During the past six months they had opened five new branches, making thirty-seven branches; the Transvaal having become British territory, the directors had opened three branches there. With reference to the colony, it might be interesting to state that the exports for January, 1877, amounted to £1,911,272; in the previous June they were £1,717,082, and in December £1,682,663, thus showing an increase of £200,000, while there was a decrease in the imports of £800,000, which spoke well for the

frugality of the Cape colonies. There had been a slight émeute amongst the Caffirs, but there was every reason to believe that it will prove local in its effects, and not beyond the power of the Government to quell very summarily and effectually."

A cordial vote of thanks to the chairman and directors, and a similar vote to the several managers and officers of the bank terminated the proceedings.

Notices of Books.

Manchester Banks and Bankers: Historical, Biographical, and Anecdotal.

By LEO H. GRINDON. Manchester: Palmer & Holme. London: Simpkin, Marshall & Co., 1877.

THIS volume, as the preface informs us, describes the origin and development of every bank of importance established in Manchester for the last century, and a record of this description is always valuable. It enables us to trace the beginning of many institutions which have since expanded into vast proportions, and tells us the difficulties experienced, and the dangers surmounted, in the gradual course of their progress. In the early days of banking in Manchester, notes were issued by some of the local banks. Cunliffe Brooks, Mr. Grindon informs us, issued his own notes. Jones, Loyds & Heywoods never did so. Both banks had made preparation for issuing their own notes, but a strong requisition, signed by the leading merchants and traders of Manchester, in August 1821, caused them to lay the intention aside, and they never resumed it.

The history of the Joint Stock Banks of Manchester is likewise given in much detail in this volume. The manner in which undertaking unsound business has brought down powerful banks with large capital and first-rate connections, the manner in which other banks have by constant care and intelligent skill been carried through difficulties, and worked into positions of security, are likewise chronicled, and our readers will find much that is amusing, as well as much which is worth their attention in this volume. They will find anecdotes of the leading banking celebrities often full of bright fun; they will find remarks which they may well treasure up like the following, as to the principles on which a bank should be conducted: "Any policy which allows large overdraft, without equivalent security, is delusive, and its results are calamitous." It will be well if all bankers would bear this simple rule in mind.

INSTITUTE OF BANKERS IN SCOTLAND.

PRESIDENT.—David Davidson, Esq., Treasurer, Bank of Scotland.

VICE-PRESIDENTS.—John Affleck, Esq., Assistant-Manager, Union Bank of Scotland; John Gifford, Esq., Cashier, National Bank of Scotland; Archibald Robertson, Esq., Cashier and Agent, Royal Bank of Scotland, Glasgow.

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READING-ROOMS.—No. 2, George Street, Edinburgh, and St. Vincent Place, Glasgow.

CLASS-ROOMS.—No. 7, St. Andrew Square, Edinburgh, and George Square, Glasgow.

ARRANGEMENTS IN EDINBURGH—SESSION 1877-78.

The Edinburgh Committee of the Council of the Institute beg to submit the following Programme for the Third Session:—

OPENING ADDRESS.—The Committee have very great pleasure in announcing that the Session will be inaugurated with an Address by W. B. Hodgson, Esq., LL.D., Professor of Commercial and Political Economy, &c., in the University of Edinburgh. The Address will be delivered in the Hall of the Watt Institution and School of Arts, Chambers Street, on Monday, 19th November, at Eight o'clock p.m. All gentlemen in the service of the banks are invited to be present.

LECTURES.—Through the continued kindness of Professor Hodgson, the generous offer he made last year to admit Students and Associates of the Institute, who intend presenting themselves for examination as Associates and Members, to his College Class, without payment of the Class Fee, will subsist during the ensuing Session, commencing on Monday, 5th of November. Attendance at this Class necessitates payment of the University Matriculation Fee of £1, which entitles the Student to all the privileges of the College, including the University and Class Libraries. The Committee hope that this exceptional opportunity will not be allowed to pass unimproved by the large number of gentlemen to whom it is open. Intending Students must apply to the Secretary of the Institute for Tickets, to be presented along with their College Matriculation Cards, to the Professor, and exchanged for Class Tickets. The Class hour is Five o'clock p.m.

A course of Ten Lectures on the Law relating to Banking, embracing the Law of Principal and Agent, Partnership, Bankers' Lien, Crossed Cheques, &c., will be delivered conjointly by Richard Vary Campbell, Esq., M.A., LL.B., Advocate, Examiner in Law in the University of Glasgow, and by John Blair, Esq., a Member of the Council of the Institute. The Lectures will be delivered in the Hall of the Royal Society of Arts, 117, George Street, on Wednesday Evenings, at Eight o'clock—those by Mr. Campbell commencing on 21st November, and terminating on 19th

December; and those by Mr. Blair commencing on 9th January, and terminating on 6th February, 1878. Tickets for the Course will be issued to Members free, and to Associates and Students on Payment of a Fee of Two Shillings and Sixpence.

CLASSES.—Mr. Frederick Robson, of the Edinburgh Institution, Queen Street, will conduct Classes for Arithmetic, Bookkeeping, and Elementary Algebra, on Tuesdays and Thursdays, from Seven to Nine o'clock p.m., in the Class-room of the Institute, commencing on Tuesday, 27th prox. The first hour each evening will be devoted to Arithmetic; the second (on Tuesdays) to Bookkeeping; and (on Thursdays) to Algebra. These Classes will be open to all gentlemen in the service of the banks. Tickets, admitting to all or any of them, will be issued on payment of a Matriculation Fee of Two Shillings and Sixpence.

The Committee earnestly request attention to this provision, which in former years has not been profited by to such an extent as they would desire.

READING-ROOM AND LIBRARY.—The following Periodicals are placed on the table as published, viz.:—Newspapers—Edinburgh Courant, Review, and Scotsman, Glasgow Herald, Dundee Advertiser, London Daily News, Standard and Times. Magazines—London Bankers', New York Bankers', Blackwood, Contemporary, and Fraser. Miscellaneous—Athenæum, Economist, Examiner, Graphic, Illustrated London News, Irish Banker, Punch, Saturday Review, and Stock Exchange Share Lists.

The Library contains a selection of works on Economic and Financial subjects, and in General Literature. The Room is open every business day from Four to Ten o'clock p.m., except on Saturdays, when it is open from One to Five p.m.

Members, Associates, and Matriculated Students are entitled to the use of the Library and Reading-Room free of charge. Other employes of the banks will be admitted to the same privileges on payment of an Annual Fee of Five Shillings.

The Committee desire to take this opportunity of returning their best thanks to several gentlemen, for services rendered through this department of the Institute's work. To Professor Hodgson, for repeated gifts to the Library; to Mr. Homans, Editor of the New York "Bankers' Magazine," for the monthly supply of his valuable publication gratis; to the Editors of the "Irish Banker," for a similar courtesy; to Mr. Dun, of Parr's Banking Company, for copies of his works; and to Mr. Gifford, of the National Bank, for useful additions to the Library.

EXAMINATIONS.—The Council have already intimated that the next Examinations for admission of Members and Associates will take place in April, 1878. The day appointed is Tuesday, the 23rd of that month.

The following are the subjects in which Candidates will be examined:—

1. Associates' Examination.—Arithmetic (Vulgar and Decimal Fractions especially)—Algebra—Geography—English Composition—Bookkeeping and Bank Books—Exchange and Clearing-House System and Rules—Note Circulation—Interest and Charges—Negotiation of Bills and Cheques—History and Present Position of Banking in Scotland.
2. Members' Examination.—Modern Languages (French or German)—General History—British History—British Constitution and Government—English Literature—Political Economy—Banking and Currency—Foreign Exchanges—Stocks and Stock Exchange Transactions—Scotch Law and Conveyancing—Mercantile Law, Law of Bills, Cheques, and Receipts—Law of Bankruptcy.

A Syllabus may be had either from Mr. Wenley in Glasgow, or from Mr. Kerr in Edinburgh.

By Order of the Edinburgh Committee. Andw. Wm. Kerr, Secretary.
2, George Street, Edinburgh, 31st October, 1877.

Communications.

BANKING INSTITUTES.

SIR,—In my last letter to you I pointed out the advantages which seemed to me would result to banking generally from an acquaintance with the practical details of a merchant's office, and from the possession of superior intellectual attainments by those holding important positions in its service.

My object then was to enlist the support of the public generally, and my object now is to gain like support and co-operation from my fellow clerks, to whom that public virtually entrusts its wealth, and whose life is chiefly spent in assisting others to make their fortunes.

Such being the important position which I claim for the class to which I belong, it seems to me that hitherto that position has been unjustly underrated, whether from ignorance, or prejudice or indifference on the part of the public, or from a want of self-assertion on the part of ourselves.

Now it appears to me that the main reason why the public generally has assigned to the cognomen "Clerk" the anomalous significance and position which it holds in society, is that under this title is embraced men of all grades of social standing, and all degrees of intellectual culture, some who, whether from want of energy or ability to enter one of the so-called learned professions, find the desk an easy method of passing their time, and occupying their thoughts until some rich relation leaves them the necessary means of independent existence. Others undoubtedly swell the list from no such motives, but from preference, and, aided by their capital and friends, become, under favourable circumstances, frequently the best types of England's Commerce. The great bulk, however, adopt this calling from no preference of their own, but from necessity, and at a very early age, when they have merely had the rudiments of a liberal education, the small salary thereto attached being the principal, if not the sole inducement.

It is to this class, as being the most numerous and most interested, that I would specially recommend the advantages of supporting such a system as that which has been established in Scotland, under the title of "*The Institute of Bankers*," and to which many of its leading managers and directors have given their cordial support. The object to be obtained by this scheme, to use the words of the prospectus issued by the original promoters, is to *improve the qualifications of those engaged in Banking and to raise their status and influence.*

This end they hope to attain by paying more attention to the general education of their employes than has formerly been the case, and by taking such education into account when filling the more responsible and more highly paid positions in their service.

To place the same means of advancement within the reach of all, the Scotch Banks have subscribed liberally towards providing lectures on subjects relating to business, such as Political Economy, Theory of Exchange, French, German, &c., besides providing libraries of standard

books on finance, and they propose to grant prizes of considerable value to such as pass examinations on these subjects with distinction.

In a former letter I have endeavoured to enlist the support of the capitalists in the cause, and it is to be hoped that, should the idea meet with the hearty concurrence of the Clerks in London, the former class will not withhold their assistance in advancing the interests of both.

Such being the *General Principles* of the institute, as formed in Scotland, the benefits which it seems to me would result directly to Clerks by supporting it are—

- I.—That it would raise their social position in the estimation of the public, by making education one of the necessary elements of success.
- II.—That it would afford the means of bringing to the notice of employers of clerks' labour, men who, having proved themselves masters of routine duties, are competent to fill positions when that routine ceases and more intellectual work begins.
- III.—That private influence would thereby be diminished, and merit would be more generally recognised.

That such a system of discrimination and promotion would result in the elevation of the social status of the clerk, if not of the generation of Banking, I feel convinced; for I believe that it is the want of such standards, and the consequent influx of that motley throng which now fills the desks of our banks and public companies which places the modern clerk at his present social disadvantage.

In our larger business establishments there are to be found an immense number of men who daily perform their allotted duties with accuracy and precision, and who, for all that is known to those in authority, are equally well qualified to fill places of higher trust, but who, nevertheless, are widely apart in character and mental qualifications. Such a system of solution would, on this account, prove of immense service in aiding in the choice of those likely to prove most suitable officers, and certain to command respect from their fellow clerks.

In the above remarks, I have purposely avoided all allusion to those serving *private firms*, for the reason that such a system could not be developed when private interests and influences would clash, and no one can question the right of any private firm doing what they may deem best for their own interests, as regards those they employ. But in public companies the case is very different, and by the adoption of such a system, much could be done to dispel a real grievance, the consequences of which are inevitable apathy and indifference, and, not unfrequently, criminal offence, on the part of the employed.

Such are some of the advantages which would result to clerks from supporting such an institute as that adopted in Scotland, and which might, in time, become chartered, and prove of inestimable value in thinning the ranks of a now far too numerous class.

There is also a moral argument in favour of both directors and clerks of public companies uniting in the establishment of such an educational standard, and one which, although they may dispute my former propositions, I do not think they will readily call in question. It is this, that by encouraging education they are discouraging vice. For the trivial amusements of youth they are substituting habits of thought and mental culture, and are thus doing what they can worthily to uphold the responsibility which they incur, in becoming the custodians of England's wealth.

I remain, yours &c.,
UNITAS VIS.

BANKING INSTITUTES.

SIR,—Your correspondent “Unitas Vis,” in his letter appearing in the November number of your Magazine, has, I am glad to see, once more revived the drooping interest in the subject of Banking Institutes, and I heartily join with him in the hope that the heads of Banking Companies will come forward, and by their active and moral support (despite the charge of want of interest in the welfare of those over whom they have control, which he makes against them, and which their present silence may perhaps warrant) lend such aid as will bring the subject nearer to a solution than it has hitherto attained.

While, however, supporting the ends which our Scotch neighbours had in view in forming such institutes, which, according to their formal prospectus, were “*to improve the qualifications of those employed in Banking, and to raise their status and influence*,” still it seems to me that unless your correspondent can guarantee some more practical results to the Clerk, from joining such institutes, than have yet resulted in Scotland, he will find it somewhat difficult to persuade those interested to give the matter their careful consideration. If this can be satisfactorily answered, then I feel sure that it would be only those whose ability and moral worth are such as could not stand the test of higher culture, who would not come forward with assistance, so much to overcome the prejudice of clerks, whose interests, by the way, your correspondent should have first sought to enlist. Now, for those of the Bankers—Will he not find it difficult to prove to Bankers that the knowledge gained by school study, coupled with practical experience in banking, is insufficient for *the sound and successful development of even foreign banking*? This knowledge Mr. Gilbert appears to have thought sufficient when he wrote: “*To be a good banker requires some intellectual and some moral qualifications; a banker need not be a man of talent, but he should be a man of common sense*,” and although many of your readers may doubtless agree with your correspondent in his flattering comments upon Mr. Crump’s work, “*The English Manual of Banking*,” still I should be inclined to think that those who have carefully perused such other works as that to which I have referred, will come to the conclusion that the opinions of such men are at least worthy of consideration.

It is beyond question that the business of a Foreign or Colonial banker partakes now considerably more of the work of a merchant than it has ever done before, but the valuable experience so gained goes far to supply the want that your correspondent states to exist.

Will your correspondent be good enough to point out how Bank clerks are to acquire the experience he thinks it necessary they should have? Are they to serve an apprenticeship in a merchant’s office previous to transferring their services to Banks? Surely it would be somewhat difficult to persuade merchants that the interests of Banking required that their clerks should terminate their engagements just at the time when their services would most probably be becoming valuable. This would indeed be somewhat trespassing upon their good nature.

It seems to me that the undercurrent of your correspondent’s ideas are not so much that the present standard of commercial education should be higher, but that he hopes, through the medium of Banking Institutes, the social position of the general body of clerks would be improved. This is, after all, the real cause of so much heart-burning and dissatisfaction, and if those occupying higher positions in the Banking world would overlook the barrier that at present exists between them and that large majority who

can never hope to be so well placed as themselves, they would not only gain the respect of Bank clerks, but an example would be set before the whole commercial world, and would doubtless be followed by a large body of the wealthier portion of the community.

In conclusion, whilst approving generally of the establishment of Banking Institutes, and hoping, like many others, that they may be established in England, I should yet like to learn from "Unitas Vis" what practical results he can guarantee to those who connect themselves with such Institutes, before they devote the few hours remaining to a Bank clerk for study, after the labours of the day.

Yours faithfully,
SPERO MELIORA.

CROSSED CHEQUES ACT.

As the recent Crossed Cheques Act seems to me obscure, and open to controversy with respect to the precise meaning of the crossing "not negotiable" may I trespass on your able journal for a definition of the words referred to within the meaning of the Act?

Suppose, for example, we take a cheque payable to "order" crossed "& Co." in favour of Robert Jameson; such a crossing, I assume, binds the receiving banker to see that the discharge is *bona fide*, but does not prevent the negotiability of the document by Robert Jameson to a customer of his for value—but adding the words "not negotiable" to the crossing, will you kindly say what additional restriction is signified? Does it confine the negotiability of the cheque between the *receiving banker* and *Robert Jameson*? Your reply will much oblige
A SUBSCRIBER.

[Ordinarily speaking, a cheque is a negotiable instrument, that is, may be used in payment by any person. The object of the section in question is to put a stop to this in cases where a cheque is marked "not negotiable." Your view is therefore correct. It limits the use of the cheque to the *immediate* parties concerned, including the bankers. No doubt, there will soon be founded upon the statute, the custom of bankers and legal decisions when an exact definition will be made easy and exact. The operations of the commercial world may lead the courts to put some construction on the section not at present contemplated.—Ed. (Law Dep.) B. M.]

ACCEPTING UNSTAMPED BILL, ONE OF A SET.

Will you kindly answer the following question in your next issue?—

"Bill, dated in the United Kingdom, upon a place abroad, accepted payable in London and drawn in sets or in duplicate—can this, being an inland bill, be legally accepted upon an unstamped second or third, or copy, the first or original, duly stamped, being fastened to it?"

Faithfully yours, ENQUIRER.

[The duly stamped bill may be kept here for safety and another of the set sent out for acceptance. This provided the set is drawn according to the custom of merchants.—Ed. (Law Dep.) B. M.]

STAMPS ON DEPOSIT RECEIPTS.

In paying at one time *two* or *more* "deposit receipts" of *different* dates, is it necessary to affix a 1d. stamp to *EACH* receipt, or is it sufficient simply to attach *one* stamped cheque for the *TOTAL* amount? H. J. WAITE.

P.S.—Since writing the question on the annexed sheet, a thought has occurred to me with reference to the point.

Supposing a customer were to bring several deposit receipts and ask to have the amounts transferred to *one* deposit receipt—which is customary to do without using a stamp at all—he would then at any time be able to draw the sum total by using only one stamp in discharge of the whole.

Would it, in your opinion, be necessary to attach a *1d.* stamp to each deposit receipt so transferred?—If not, it seems to me that there is a loophole. Of course, I am supposing that a *1d.* stamp is required to be affixed to each deposit receipt when paying several together.

[The point is not free from doubt. We incline to the opinion that one stamp would be sufficient, but *ex abundanti cautela*. It would seem better to affix a stamp on each receipt.—*Ed. (Law Dep.) B. M.*]

EQUITABLE MORTGAGE—EXTENT OF BANKER'S LIEN.

A. has a debtor banking account with his bankers; for security they hold an equitable mortgage on a warehouse. A. dies, and the firm is carried on by A.'s son and one of A.'s executors as a *partner*. Two years after A.'s death the bank receive notice from his executors—that they wish to discharge their liability to the bank (as the deeds held by the bank have become executors' property at the death of A.). The bank consult the executors' solicitor as to what is to be done. He advises a fresh account to be open with the firm, and the old debtor balance to remain open—for which the executors' security of the warehouse would remain liable until they took measures to pay it off. This the bank neglect to do, and continue to advance moneys to the firm on the strength of the deeds lodged by A., and now the property of the executors. Three years after the firm fail, and before a bill of bankruptcy is filed the bank rule a line across their ledger at the date of the discharge received by the executors, and in the margin they write these words: "All credits from this date are appropriated towards the payment of subsequent debits." From the commencement of the account it was always debtor to a much larger amount than the security.

Query—can the executors claim their deeds—now required to defray the bank debts?

PONTEFRACT.

[Your enquiry is not well expressed. The bankers can clearly hold to the deeds as against the executors to the extent of securing payment of the debt due by A. at his death to his bankers, but as to the position of the parties subsequent thereto, and as to the exact right of the bank, it is a matter of much doubt and must depend partly upon the facts as they can be proved, and partly upon the view which a Court might take of the points of law arising out of such facts.—*Ed. (Law Dep.) B. M.*]

STAMPS ON SETS OF BILLS OF EXCHANGE.

W. H. (York). We cannot agree with the construction you put upon the sections of the Acts.

CHEQUE-AMOUNT IN WORDS DIFFERING FROM FIGURES.

SIR,—Kindly favour me by replying to the following query in the next issue:—

If a cheque on a banker be presented, drawn in the body for £184. 18s., in writing, and £184. 8s., in figures, is the banker bound to pay according to the writing, or can it be refused on the ground of its being irregularly drawn?

Your truly, MORGAN.

[The general custom is to pay the smaller amount.—*Ed. B. M.*]

We have, says the *Times*, received the following suggestion as to provincial local board draughts :—

“Sir,—Allow me to suggest through the medium of your columns to the members of local boards the advantage of having printed on their draughts the name of the bank where payable, in addition to those of the treasurer and town. As numbers of these draughts are sent to London for clearance, this omission is the cause of much annoyance, for in the case of a draught drawn upon a town where there is more than one bank, valuable time is often wasted in trying to determine by the aid of directories, &c., to which bank it should be sent for collection, the treasurer’s name in connection with any particular bank being in most instances quite unknown to the London bankers.
A BANKER’S CLERK.”

BANKERS’ LITERARY AND DEBATING SOCIETY.

At a general meeting of the gentlemen in the service of the Banks in Glasgow, held lately in the Reading-Room of the Bankers’ Institute, a proposal to have a Bankers’ Literary and Debating Society was considered, and the meeting were unanimously of opinion that such a Society would be very beneficial. The “Bankers’ Literary and Debating Society” has accordingly been instituted and it is hoped that it may satisfy a want long felt, viz. :—a more friendly intercourse among Bankers, and an opportunity to discuss the Financial and Banking Questions of the day.

Monthly Notes.

At the annual meeting of the Northamptonshire Banking Company, the net profits for the year ended September 30th were returned at £10,053. Out of this sum a dividend was declared at the rate of 10 per cent. per annum, free of income-tax, the balance of £2,138 being added to reserve, which now amounts to £24,266.

At the half-yearly meeting of the Bank of New South Wales, at Sydney, a dividend was declared at the rate of 15 per cent., and a bonus of $2\frac{1}{2}$ per cent. per annum, being $8\frac{1}{2}$ per cent. for the half-year ended September 30th last. The reserve has also been increased by £10,000, and it will now stand at £440,000. The corresponding dividend was at the same rate of $17\frac{1}{2}$ per cent. per annum.

The Bank of New Zealand has declared a dividend and bonus for the half-year ended 30th September, equal to 15 per cent. per annum, and placed £25,000 to reserve, which now amounts to £300,000. The rate of distribution is the same as for the corresponding period in 1876.

The report of the directors of the Bank of South Australia for the half-year to the 30th of June last states that the balance of undivided profits at that date was £61,691. Of this sum £25,000 has been placed to reserve, and it is proposed to devote £27,729 to the payment of dividend and interest, leaving £8,962 to be carried forward.

The directors of the English Bank of Rio de Janeiro have declared a dividend on account of 4 per cent. (8s. per share), free of income-tax. The corresponding payment was at the same rate.

The Bank of Montreal has declared a dividend of 6 per cent. for the half-year to 31st instant. The distribution for the corresponding period last year was 7 per cent.

The Anglo-Egyptian Bank shows a profit for the year ended August 31st of £156,422, and the board recommend a dividend of 10s. per share, or at the rate of 5 per cent. per annum, for the half-year. This will absorb £40,000. An adverse balance of £122,860 has still to be made good, caused by the depreciation of securities. Fresh reductions, however, have been made in the expenses, and the board look hopefully to the future of Egyptian finance.

According to the census taken in 1876, the population of France was 36,905,788, being an increase since the year 1872 of 802,867.

It is stated that the authorities of the Post Office now contemplate purchasing from the City the vacant plot of ground, consisting of about eight acres, which stretches along the Embankment from Blackfriars to the Temple.

We are authorized to state that Mr. Alonzo Money, C.B., of the Bengal Civil Service, one of the two members of the Bengal Board of Revenue, has accepted the post of Controller of the Daira of the Khedive. Mr. Money was for five years president of the Bank of Bengal.

It has been decided by the Post Office authorities to try the experiment of issuing certificates of posting for letters, newspapers, and book-packets, at Liverpool, Manchester, Birmingham, Bath, and some of the principal offices subordinate to those places. Forms of certificate, with an embossed halfpenny stamp, will be sold to the public on which the sender of a letter, &c., must write the address, and present it with the letter to the clerk at the counter. After examining the address, the clerk will retain the letter, newspaper, or book-packet, and return the certificate to the sender, impressed with the dated stamp of the office as evidence of posting. The subsequent treatment of the letter will be precisely the same as if posted in a letter-box. No certificate will be given for letters containing coin or jewellery.

From the 1st of January it is intended by the Post Office to reduce the registration fee from 4d. to 2d., and to indemnify the owner, provided of course all regulations have been complied with, to an extent not exceeding 40s., in case of the letter or the contents being lost during transmission by post. From the same date the commission on money orders for less than 10s. will be raised from 1d. to 2d., the present rate being attended with a very heavy loss to the exchequer. We may add that for the convenience of persons residing in the rural districts, the walking postmen who collect letters will, for the first time, receive letters for registration and give a receipt.

The "Big Bonanza" mine has yielded \$52,500,000 in bullion altogether, or an annual average of \$13,000,000, of which 45 per cent. was gold. All the mines of the Comstock lode have yielded during 16 years an annual average of \$15,000,000 of which \$7,875,000 only was in silver. In the six years over which the silver production of the State of Nevada has been collated the annual out-turn has averaged \$19,000,000, and the total yield of the United States has been an average of \$26,000,000, rising in 1876 to \$38,200,000.

The shipments of corn to the United Kingdom from United States ports for two weeks alone have amounted to 476,000 qrs. of wheat and 356,000 qrs. of maize. Taking the wheat at 45s. per qr., and the maize at 24s., which would be about the price before shipment, this leaves a debt to the States on the part of this country of nearly £1,500,000 for the fortnight for food grains alone.

The daughters of the late Mr. Richard Cobden, M.P., are now collecting and arranging his correspondence with a view to its immediate publication. They will feel obliged if anyone possessing letters which they desire should be included in the work will send them to Sir Louis Mallet, C.B., 1, Bolton Gardens, South Kensington.

BANKING MOVEMENTS.

MR. George Deal, of the firm of Messrs. Weeks and Co., Chelsea, has joined the Board of the West London Commercial Bank.

We learn that the Clydesdale Banking Company will open an office in London on 1st December, at 32, Lombard Street, under the management of Mr. Hugh Muir, of the Merchants' Bank of Canada, London.

BANKING OBITUARY.

THE announcement has been made of the death of Mr. T. F. Robinson, of the General Credit and Discount Company. Mr. Robinson was formerly connected with Messrs. Masterman's Bank.

MERCANTILE EMBARRASMENTS.

THE Berlin Bank of Henckel and Lange, established by and for the use of large landowners, is obliged to liquidate. The creditors hope to receive payment in full, though there may be some delay in making it. The capital of the bank, which is a joint-stock concern, is about 7,000,000 marks.

The *London and China Telegraph* announces the failure of Messrs. Borradaile, Schiller and Co., Calcutta, with liabilities from £150,000 to £200,000. The draughts on London in the hands of the banks are all covered by shipping documents.

A telegram from New York announces that the Central National Bank of Chicago has suspended payment.

MONTHLY CHRONOLOGY.

Nov. 1.—The transfer offices at the Bank of England have been closed to-day for the purpose of striking the half-yearly balances in the stock ledgers, and the Stock Exchange has also been closed as usual.

2.—The prospects in the Madras Presidency continue to improve with wonderful rapidity. Within the last four weeks there has been a decrease of 900,000 in the number of persons employed on the relief works.

6.—The prospectus of the Metropolitan Inner Circle Completion Railway announces for subscription a share capital of £1,200,000, in £10 shares, to be paid up in seven instalments by the 1st February, 1879.

8.—The Bank of Bengal has reduced its minimum rate of interest and discount to 8 per cent.

8.—The Crown Agents for the Colonies invite applications for £100,000 in Four-and-a-half per Cent. Debentures of the Straits Settlements Government.

9.—At the adjourned meeting of the representatives of the London Joint-Stock Banks it was resolved to reduce the rates, at seven days' notice, allowed on deposits to $3\frac{1}{2}$ per cent.

12.—The prospectus of a new Five per Cent. Russian Loan was issued in Berlin. The amount is £15,000,000, the price of issue $76\frac{1}{2}$, and the loan is to be redeemed at par within 37 years by annual drawings.

14.—Messrs. F. Banbury and Sons invite subscriptions at par for £234,800 being part of the first issue of £500,000 of the Leeds Corporation Four per Cent. Consolidated Debenture Stock.

15.—The Imperial Bank of Germany has reduced its rate of discount from $5\frac{1}{2}$ to 5 per cent.

17.—The Mansion House Indian Famine Relief Fund now amounts to £465,000.

17.—The Viceroy of India continues to give a cheering report of the state of the famine districts. He says: "Madras, north-east monsoon continues giving abundant rain in southern coast districts."

18.—Kars was carried by storm by the Russians. The battle preceding its capture lasted 12 hours.

23.—The House of Representatives at Washington has to-day passed by 133 against 120 votes the Anti-Resumption Act.

24.—The Fishery Commission at Halifax has awarded to Great Britain the sum of 5,500,000 dols.

Monetary Review.

THE burden on the large Joint Stock Banks in continuing to allow 1 per cent. under the Bank rate on their deposit money, to which we adverted last month, became shortly afterwards more pronounced by reason of the course of the outside money market, which was influenced in a downward direction in consequence of gold going into the Bank, whilst at the same time so slack was the demand for accommodation that rates for the time being could scarcely be quoted.

This condition of things aggravated the position in which the banks were placed, and naturally led to more determined discussion amongst them with regard to adopting measures of relief; unanimity on this question amongst the numerous competitors for accounts to whom it had to be submitted was scarcely to be expected to be brought about at once; in the meantime, however, one of the most important Joint Stock Banks determined to act alone, or at all events to lead the van, in the assault upon this time-honoured but otherwise obsolete custom of following immediately upon the lead of the Bank of England. On the 5th November the London and Westminster Bank decided to reduce its terms of allowance for deposits to $3\frac{1}{2}$ per cent. at 7 days' notice, and to 3 per cent. at call, and on the 9th, at the adjourned meeting of the representatives of the London Joint Stock Banks, it was determined to reduce the rate of allowance for deposits at notice to $3\frac{1}{2}$ per cent. This is a step in the right direction, it is very much to be hoped that it will not be an isolated step, but that it may be preliminary to a determination of future independent action on the part of those who now rule the money market as apart from the Bank of England; the position of that great institution with regard thereto having of late years become anomalous inasmuch as it has ceased to follow the money market rate, which it professed to do a quarter of a century ago. In times like the present, when the Bank is compelled to take action solely with a view to protect its reserve of coin, whilst at the same time there is no increase in the outside demand for money, it is clear that the Bank cannot follow the market, nor can it under those circumstances lead the market except in a modified degree. Its power to influence the market has become greatly lessened during the period mentioned,

in consequence of the enormous growth of capital during that period, and the absorption into the hands of other monetary institutions of so vast a portion of it in the shape of deposits at interest. Meanwhile the rise in the rate brought no great accession of strength to the Bank of England in the matter of its Reserve which, on the 7th November, was still but little over 9 millions and a half. During the previous week the Bank had lost half a million of gold on balance; the requirements of the Scotch banks of gold to back the increased circulation of notes which regularly recurs at this period would account for this difference. The gold taken in this way by the Scotch banks could be counted upon to return whence it was taken, but uncertainty as to the time or extent of foreign demands still remained, and, as it appeared likely that some of these would soon come into play, the Bank Directors could not with prudence adopt a lower rate of discount, notwithstanding the gulf which existed for some time between their fixed minimum and the market rate, a condition of things which was instrumental in bringing about the important step taken by the Joint Stock Banks to which we have already referred. Notwithstanding the strong measures adopted by the Bank gold continued to be withdrawn at intervals, in comparatively small amounts, and the state of the New York Exchange, which has lately been watched with anxiety, owing to the large shipments of corn coming hither from America, led to the expectation of a greater outflow, and the contingency of a further rise in the Bank rate. Towards the middle of the month market rates moved upwards, this movement being, perhaps, assisted by the Stock Exchange settlement at that period. On Thursday, the 15th November, the Bank Directors had an unusually protracted sitting at their weekly court; though no action was taken with regard to their minimum rate, a sudden tightness of money ensued, bankers were more disposed to hold their hands, and higher rates had to be offered for money, and for the discount of 3 months' bills $3\frac{1}{4}$ to 4 per cent. was the quotation.

The Stock markets have this month been influenced in their fluctuations mainly by the varying fortunes of the war in Turkey, in regard to what is supposed to be their political bearings upon the interests of other nations, whilst at the same time the state of the money market has exercised a controlling influence upon the course of prices. The 1st November is always a holiday on the Stock Exchange, and, being All Saints' day, it is observed as a holiday on some of the foreign bourses also, so that a good many accounts are closed previous to that day. After business was resumed prices tended downwards, in consequence of the expectation gaining ground that dear money was likely to continue, and even that higher rates might have to be resorted to in case of a further efflux of gold from the Bank. The disposition to a rise in the prices of securities, consequent upon the confirmation of the reports of Russian successes in the field of battle, was in a measure checked by the unsatisfactory state of political parties in France; in the face of

these disturbing causes English Consols maintained a remarkably steady price, whilst Colonial Government securities in most cases marked an advance; on the other hand the market for English railway shares was subjected to much depression, enhanced by the announcement of the failure of the negotiations for leasing the Sheffield Railway Co., and a considerable fall ensued in the shares of some of the companies concerned therein. The announcement of the Inner Circle completion scheme caused a considerable fall in Metropolitan District Railway Shares. The issue of the new Russian loan of 15 millions abroad caused depression in the older stocks of that Government, but the news of Kars having fallen under the determined assault of Russian arms produced a temporary reaction in prices, which, however, could not be supported in face of the restraint which hangs over the markets in view of the political and financial situation.

Joint Stock Bank shares have been well supported, and in some cases have advanced, as have also some of the Discount Companies' shares, upon the prospects of profits from dearer money.

The return issued by the Bank of England on Thursday, the 23rd November, was of a more re-assuring complexion than those of late had been. Gold had not been withdrawn but, on the contrary, had returned to the Bank; an easier feeling with regard to the rate ensued, and, the little spurt in the outside demand for money having subsided, market rates receded to $3\frac{1}{2}$ and $3\frac{3}{4}$ for best 3 months' bills, with, however, but a short supply of these to be had; the market here being denuded of them by the Paris dealers who, instead of following our Bank rate, have taken advantage of the rise here to utilise their balances at the expense of this market; the result of this may prove a future detriment, as well as a present loss, in promoting a more adverse French exchange which already has shown no disposition to be made amenable to the movements of the Bank of England.

NOTICES TO CORRESPONDENTS.

Communications, Orders, and Subscriptions to be addressed to the **Proprietors, Waterlow & Sons Limited, 25, Great Winchester Street, London**, who will be happy to give publicity to the Reports of all Bank Meetings as early after they occur as possible, if Managers and Secretaries will favour them with communications. They do not undertake to attend to unauthenticated communications, or to return such as are rejected.

All correspondence should be received not later than the 14th of each month to secure its being published in the number of the Magazine for the following month. Communications received *after* this date can, as a rule, only appear in the issue of the month next but one after that on which they are received. Correspondents are requested to write only on one side of the writing paper used by them, and as space should, as far as possible, be left available for a reply to queries if asked or if given by the Editor.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Notes in Circulation.	Coin and Bullion in Issue Department.	Proportion of Coin and Bullion to Circulation.	Government Securities in Banking Department.	Other Securities in Banking Department.	Public Deposits.
1877.	£	£	%	£	£	£
Feb. 7	27,814,430	25,624,520	92	16,001,441	17,787,156	5,613,338
14	27,541,435	25,590,545	93	16,001,441	17,818,123	6,632,609
21	27,177,240	25,824,255	95	16,026,176	17,576,949	6,857,731
28	27,216,805	26,010,290	96	16,026,176	19,071,302	7,215,293
Mar. 7	27,347,790	25,510,290	93	15,988,176	19,049,118	8,295,675
14	27,058,190	25,554,275	94	15,998,532	19,103,570	8,695,941
21	26,961,195	25,495,540	94	16,002,035	19,344,179	8,883,936
28	27,982,640	25,742,035	92	15,502,035	23,766,279	1,530,029
April 4	28,412,165	25,283,790	89	15,308,096	22,854,102	9,916,041
11	28,566,345	25,081,145	88	15,319,338	19,514,925	6,835,131
18	28,415,030	25,175,295	88	15,329,901	19,490,216	6,457,402
25	28,385,890	24,835,320	88	15,329,901	19,269,702	6,473,216
May 2	29,077,985	24,228,650	83	15,340,207	20,482,345	6,315,550
9	28,546,885	23,972,650	84	15,348,494	19,646,733	6,638,594
16	28,479,010	23,981,900	84	15,364,904	19,365,162	6,577,403
23	28,065,055	24,000,705	85	15,364,904	19,347,895	6,415,539
30	27,955,420	24,021,990	86	15,364,904	19,082,728	6,523,808
June 6	28,035,185	24,444,240	87	15,214,859	19,379,635	7,243,548
13	27,729,660	24,832,340	89	15,214,859	18,663,592	7,914,651
20	27,406,290	25,693,950	94	15,214,859	18,444,770	8,133,581
27	27,994,045	25,910,475	93	15,214,859	18,510,050	8,760,469
July 4	28,774,340	26,076,865	90	14,989,321	20,429,201	5,727,684
11	28,767,460	26,746,945	93	16,089,088	18,289,670	3,761,325
18	28,598,090	26,776,435	94	15,889,088	18,249,551	5,351,334
25	28,460,275	26,246,585	92	14,989,088	18,179,006	4,904,907
Aug. 1	28,758,360	25,938,465	90	15,240,605	18,445,792	5,369,654
8	28,898,755	25,358,950	88	14,990,554	18,027,819	5,276,390
15	28,546,860	24,692,600	86	14,990,554	18,271,813	4,604,066
22	28,203,210	24,423,960	87	14,990,554	18,196,144	4,295,440
29	27,900,545	24,193,255	87	14,910,568	18,519,555	4,302,420
Sept. 5	28,159,635	24,008,215	85	14,374,568	19,601,321	4,315,084
12	27,706,770	23,620,050	85	14,174,568	19,907,560	4,509,919
19	27,533,275	23,683,045	86	14,121,093	19,684,015	4,879,243
26	27,393,950	23,451,095	86	14,121,093	19,582,952	5,274,794
Oct. 3	28,760,025	22,749,615	79	15,093,662	19,629,110	5,026,591
10	28,357,190	22,115,915	78	15,718,604	19,064,149	5,059,600
17	28,304,600	21,922,440	77	15,718,604	18,575,244	5,147,500
24	27,691,175	21,998,690	79	15,143,604	18,581,766	3,938,276
31	28,112,645	21,994,995	78	15,123,604	18,633,156	4,080,473
Nov. 7	27,638,130	21,463,920	78	14,498,604	18,256,946	3,721,946
14	27,294,875	21,437,865	78	14,098,604	17,834,960	3,422,248

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

BANK OF ENGLAND.—ANALYSIS OF RETURNS.

Date.	Other Deposits.	Bank Post Bills.	Total Deposits and Bank Post Bills.	Reserve.	Proportion of Reserve to Liabilities	Rate of Discount.
1877.	£	£	£	£	%	
Feb. 7	23,520,174	329,031	29,462,543	13,562,473	46	2
14	22,890,468	297,860	29,820,937	13,896,824	47	—
21	23,152,710	280,370	30,290,811	14,581,064	48	—
28	24,039,409	258,794	31,513,496	14,704,822	47	—
Mar. 7	22,235,162	302,062	30,832,899	14,086,465	45	—
14	22,289,135	264,315	31,249,391	14,441,048	46	—
21	22,264,911	267,221	31,416,068	14,375,131	45	—
28	22,615,486	304,262	34,449,777	13,481,652	39	—
April 4	22,215,615	300,812	32,432,468	12,572,518	39	—
11	22,430,616	367,973	29,633,720	12,418,314	42	—
18	23,190,134	329,403	29,976,939	12,779,964	43	—
25	22,477,887	318,512	29,269,615	12,294,320	42	—
May 2	22,480,099	337,059	29,132,708	10,926,636	37	3
9	21,682,317	344,820	28,666,731	11,290,854	39	—
16	21,703,571	333,520	28,614,494	11,514,653	40	—
23	22,167,827	288,726	28,872,092	11,789,442	40	—
30	22,141,497	254,898	28,920,203	12,053,767	41	—
June 6	21,702,873	253,096	29,199,517	12,189,816	41	—
13	21,138,081	269,761	29,322,493	13,031,796	44	—
20	21,888,742	257,035	30,279,358	14,209,534	47	—
27	20,957,739	241,753	31,959,961	13,832,353	43	—
July 4	24,894,691	286,179	30,908,554	13,174,000	43	2½
11	26,371,322	309,869	30,442,506	13,911,797	46	2
18	24,632,345	305,975	30,289,854	14,031,602	46	—
25	23,659,007	288,053	28,851,967	13,569,230	47	—
Aug. 1	23,079,821	313,426	28,762,901	12,983,171	45	—
8	21,640,789	361,161	27,278,330	12,172,803	45	—
15	22,462,403	340,925	27,407,394	12,060,017	44	—
22	22,771,398	327,893	27,394,731	12,119,949	44	—
29	23,013,944	346,463	27,662,327	12,128,674	44	3*
Sept. 5	22,716,354	426,058	27,457,496	11,722,513	43	—
12	22,730,442	374,166	27,614,517	11,778,581	42	—
19	22,224,951	341,599	27,445,793	11,899,404	43	—
26	21,736,577	327,519	27,338,890	11,895,257	44	—
Oct. 3	20,805,934	360,814	26,193,339	9,721,173	37	4
10	21,177,375	359,655	26,576,630	9,431,126	35	5
17	20,629,635	350,353	26,127,488	9,478,439	36	—
24	21,801,793	334,069	26,074,138	10,002,505	38	—
31	21,400,826	315,952	25,797,251	9,678,797	38	—
Nov. 7	20,596,694	430,926	24,749,566	9,640,427	39	—
14	20,530,603	328,676	24,281,527	9,998,592	41	—

For the corresponding statement, from January to October, 1876, see page 342 of "The Banking Almanac" for 1877.

* The Bank Rate of Discount was raised to 3 per cent. on Tuesday, August 29th.

PUBLIC INCOME AND EXPENDITURE.

The following are the receipts into and payments out of the Exchequer between April 1, 1877, and November 17, 1877:—

REVENUE AND OTHER RECEIPTS.

	Budget Estimate for the Financial Year 1877-78.	Total Receipts into the Exche- quer from April 1, 1877, to Nov. 17, 1877.	Total Receipts into the Exche- quer from April 1, 1878, to Nov. 13, 1878.
Balance, April 1, 1877.	£	£	£
Bank of England	—	4,815,797	3,826,896
Bank of Ireland	—	1,172,853	1,292,691
		5,988,650	5,119,587
REVENUE.			
Customs	19,850,000	12,351,000	12,537,000
Excise	27,500,000	16,451,000	16,796,000
Stamps	10,920,000	6,765,000	6,721,000
Land Tax and House Duty	2,560,000	680,000	579,000
Property and Income Tax	5,540,000	1,564,000	1,141,000
Post Office	6,100,000	4,116,000	3,877,000
Telegraph Service	1,300,000	865,000	845,000
Crown Lands	410,000	215,000	215,000
Interest on advances for Local Works and on Purchase Money of Suez Canal Shares	949,000	571,951	449,776
Miscellaneous	4,017,000	2,119,006	2,202,435
Revenue	79,146,000	45,697,957	45,863,211
Total, including balance		51,686,607	50,482,798
OTHER RECEIPTS.			
Money raised for Purchase of Shares in the Suez Canal (balance of £4,000,000)		—	700,000
Advances under various Acts, repaid to Exchequer		1,047,738	1,006,115
Money raised for Fortifications and Military Barracks		500,000	500,000
Ditto Local Loans, by Exchequer Bonds		—	1,000,000
Ditto ditto Treasury Bills		4,485,000	—
Totals	£	57,719,345	53,688,913

EXPENDITURE AND OTHER PAYMENTS.

EXPENDITURE.	Estimate for the Financial Year 1877-78.	Total Issues out of Exchequer to meet Payments from April 1, 1877, to Nov. 17, 1877.	Total Issues out of Exchequer to meet Payments from April 1, 1878, to Nov. 13, 1878.
	£	£	£
Permanent charge of Debt	*28,000,000	18,119,945	18,894,940
Interest on Temporary Loans for Local Works, and Interest, &c., on Exchequer Bonds (Suez)	*420,000	227,132	144,125
Other charges on Consolidated Fund	*1,600,000	1,054,866	1,107,429
Supply Services	†49,125,000	29,421,994	28,827,585
Estimate	79,145,000		
Expenditure		49,523,987	48,974,079
OTHER PAYMENTS.			
Advances under various Acts, issued from Exchequer		3,224,095	2,675,989
Expenses of Fortifications and Military Barracks		500,000	500,000
Exchequer Bills paid off		26,400	82,100
Treasury Bills ditto		2,915,000	—
		56,189,492	52,232,168
Balances on November 17, 1877:—			
Bank of England		1,261,259	972,815
Bank of Ireland		268,654	483,930
Totals	£	57,719,345	53,688,913

* As stated in the Budget.

† As granted by the Appropriation Act.

BANK OF FRANCE.

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DEBTOR.

	Oct. 25.		Nov. 2.		Nov. 8.		Nov. 15.	
	F.	C.	F.	C.	F.	C.	F.	C.
Capital of the Bank ...	182,500,000	0	182,500,000	0	182,500,000	0	182,500,000	0
Profits in addition to Capital (Art. 8, Law of June 9, 1857) ...	8,002,313	54	8,002,313	54	8,002,313	54	8,002,313	54
Reserve of the Bank and its branches ...	22,105,750	14	22,105,750	14	22,105,750	14	22,105,750	14
Reserve of landed property ...	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Special Reserve ...	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Notes in circulation ...	2,424,111,445	0	2,454,856,090	0	2,423,061,555	0	2,455,654,750	0
Bank-notes to order and receipts payable at sight ...	62,834,453	34	63,392,226	85	62,846,616	29	62,595,371	37
Treasury account, current creditor ...	220,751,477	77	243,180,146	9	213,760,690	41	233,465,121	30
Current accounts, Paris Do., branch banks ...	394,861,060	43	385,776,772	11	393,879,329	26	394,627,291	84
Dividends payable ...	39,113,327	0	40,836,202	0	39,846,861	0	39,054,413	0
Interest on securities transferred or deposited ...	1,442,340	0	1,397,712	0	1,371,142	0	1,346,726	0
Discounts and sundry interests ...	4,054,851	40	3,612,458	38	5,100,210	68	4,278,030	19
Re-discounted the last six months ...	4,987,410	98	5,401,874	58	5,744,941	36	6,260,817	37
Bills not disposable ...	1,271,342	98	1,271,342	98	1,271,342	98	1,271,342	98
Reserve for eventual losses on prolonged bills	2,520,731	00	16,769,207	73	2,366,543	79	2,761,699	46
Sundries ...	6,897,164	82	6,897,164	82	6,897,164	82	6,897,164	82
	16,675,867	67	16,070,518	98	16,610,575	37	16,715,593	81
Total ...	3,408,129,556	76	3,463,668,790	20	3,438,375,336	84	3,453,345,375	83

CREDITOR.

	Oct. 25.		Nov. 2.		Nov. 8.		Nov. 15.	
	F.	C.	F.	C.	F.	C.	F.	C.
Cash in hand and in branch banks ...	2,146,291,781	37	2,132,102,372	62	2,124,378,920	79	2,111,646,057	69
Commercial bills overdue ...	139,157	95	6,577,082	87	145,045	63	91,687	36
Commercial bills discounted, not yet due	209,840,631	82	219,745,751	8	235,622,627	94	259,051,832	26
Treasury bonds ...	310,775,000	0	310,775,000	0	310,775,000	0	310,775,000	0
Commercial bills, branch banks ...	294,489,161	0	329,773,578	0	316,716,484	0	319,620,018	0
Advances on deposits of bullion ...	19,468,100	0	21,068,100	0	21,834,000	0	22,208,500	0
Do. in branch banks ...	5,184,900	0	5,224,400	0	4,784,800	0	4,741,800	0
Do. on French public securities ...	40,221,700	0	40,287,500	0	40,309,200	0	40,409,800	0
Do. by branch banks ...	27,759,100	0	23,368,100	0	28,734,700	0	29,209,900	0
Do. on railway shares and debentures ...	21,666,300	0	21,643,700	0	21,608,300	0	21,819,300	0
Do. by branch banks ...	17,070,200	0	17,108,100	0	17,231,700	0	17,316,800	0
Do. on Crédit Foncier bonds ...	1,555,600	0	1,564,700	0	1,557,000	0	1,547,700	0
Do. branches ...	962,300	0	960,900	0	967,200	0	1,000,100	0
Do. to the State (Convention June 10, 1857) ...	60,000,000	0	60,000,000	0	60,000,000	0	60,000,000	0
Government stock reserve ...	12,980,750	14	12,980,750	14	12,980,750	14	12,980,750	14
Do. disposable ...	81,938,823	79	81,938,823	79	81,938,823	79	81,938,823	79
Rentes Immobilisées (Law of June 9, 1857) ...	100,000,000	0	100,000,000	0	100,000,000	0	100,000,000	0
Hotel and furniture of the Bank, and landed property of branches	9,256,278	0	9,255,810	0	9,252,857	0	9,248,423	0
Expenses of management ...	3,473,936	97	4,059,438	20	4,109,868	35	4,194,304	77
Employ of the Special Reserve ...	12,000,000	0	12,000,000	0	12,000,000	0	12,000,000	0
Sundries ...	33,025,629	72	53,117,715	60	32,414,259	26	34,657,678	61
Total ...	3,408,129,556	76	3,468,668,790	20	3,438,375,336	84	3,453,345,375	82

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 82, for the Weeks ending as follows—
ISSUE DEPARTMENT.

	1877. Oct. 24.	1877. Oct. 31.	1877. Nov. 7.	1877. Nov. 14.	1877. Nov. 21.
	£	£	£	£	£
Notes issued	36,996,690	36,994,995	36,463,920	36,437,865	36,554,020
Government debt... ..	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	3,984,900	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion	21,996,690	21,994,995	21,463,920	21,437,865	21,554,020
Silver bullion					
	36,996,690	36,994,995	36,463,920	36,437,865	36,554,020

BANKING DEPARTMENT.

	1877. Oct. 24.	1877. Oct. 31.	1877. Nov. 7.	1877. Nov. 14.	1877. Nov. 21.
	£	£	£	£	£
Proprietors' capital	14,553,000	14,553,000	14,553,000	14,553,000	14,553,000
Reserve	3,100,737	3,086,306	3,083,411	3,097,629	3,106,378
Public deposits (Including Exchequer, Savings Banks, Commissioners of National Debt, and Dividend Accounts)... ..	3,636,276	4,080,473	3,781,946	3,422,248	3,662,313
Other deposits	21,801,793	21,400,826	20,598,694	20,530,603	19,967,676
Seven day and other bills	334,069	315,952	430,922	323,676	323,076
	43,727,875	43,435,557	42,395,977	41,932,156	41,647,445
Government Securities	15,143,604	15,123,604	14,496,604	14,066,604	13,576,373
Other Securities	18,531,766	18,633,156	18,258,946	17,834,980	17,408,083
Notes... ..	9,305,515	8,882,350	8,838,790	9,142,960	9,645,160
Gold and Silver coin	696,990	796,447	814,837	865,602	1,015,630
	43,727,875	43,435,557	42,395,977	41,932,156	41,647,445

THE EXCHANGES.

LONDON ON—	Oct. 26.	Nov. 2.	Nov. 9.	Nov. 16.	Nov. 23.
Amsterdam, short	12 3	12 2½	12 2½	12 3	12 3
Ditto 3 months	12 4½	12 4½	12 4½	12 5	12 5
Rotterdam, ditto	12 4½	12 4½	12 4½	12 4½	12 5
Antwerp and Brussels, ditto	25 45	25 45	25 45	25 45	25 47½
Paris, short	25 25	25 25	25 25	25 25	25 37½
Ditto 3 months	25 37½	25 37½	25 37½	25 37½	25 40
Marseilles, ditto	25 40	25 40	25 37½	25 40	25 40
Hamburg, ditto	20 74	20 72	20 73	20 74	20 74
Berlin, ditto	20 74	20 72	20 73	20 74	20 74
Leipzig, ditto	20 74	20 72	20 73	20 74	20 74
Frankfort-on-the-Main, ditto	20 74	20 72	20 73	20 74	20 74
Petersburg, ditto	22½	23	23½	23½	24
Copenhagen, ditto	18 60	18 65	18 60	18 62	18 65
Vienna, ditto	12 12½	12 12½	12 20	12 27½	12 23½
Trieste, ditto	12 12½	12 12½	12 20	12 27½	12 22½
Zurich and Basle, ditto	25 45	25 45	25 45	25 47½	25 47½
Madrid, ditto	47½	47	47	47½	47½
Cadix, ditto	47½	47½	47½	47½	47½
Seville, ditto	47½	47½	47½	47½	47½
Barcelona, ditto	47½	47½	47½	47½	47½
Malaga, ditto	47½	47½	47½	47½	47½
Granada, ditto	47½	47½	47½	47½	47½
Santander, ditto	47½	47½	47½	47½	47½
Bilbao, ditto	47½	47½	47½	47½	47½
Zaragoza, ditto	47½	47½	47½	47½	47½
Genoa, Milan, Leghorn, ditto	28 0	27 85	27 90	28 2½	28 5
Venice, ditto	28 0	27 85	27 90	28 2½	28 5
Naples, ditto	28 0	27 85	27 90	28 2½	28 5
Palermo and Messina, ditto	28 0	27 85	27 90	28 2½	28 5
Lisbon, 90 days	61½	61½	61½	61½	61½
Oporto, ditto	61½	61½	61½	61½	61½
Rio Janeiro, 90 days	...	...	...	...	...

PRICES OF BULLION.

	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.	Per Oz. £ s. d.
Foreign Gold in Bars (Standard)	3 17 9	3 17 9	3 17 9½	3 17 9	3 17 9
Mexican Dollars	0 0 0	0 4 5	0 4 4½	0 4 4½	0 4 5
Silver in Bars (Standard)	0 4 7	0 4 7	0 4 7	0 4 6½	0 4 6½

STATE OF THE FIXED ISSUES IN GREAT BRITAIN AND IRELAND.

Amounts authorized by the Acts of 1844 and 1845:—

England—	Bank of England	£14,000,000
"	207 Private Banks	5,153,407
"	72 Joint Stock Banks	3,495,448
Scotland—	12 Joint Stock Banks	3,087,209
Ireland—	6 Joint Stock Banks	6,354,494
		<u>£32,090,556</u>

Add Increase, since, in authorized amount of Bank of England:—

1855—Dec. 7th	£475,000
1861—July 10th	175,000
1866—Feb. 21st	850,000
	<u>1,000,000</u>

£33,090,556

Deduct Lapsed Issues—

England—	*91 Private Banks	£1,434,261
"	20 Joint Stock Banks	907,895
Scotland—	1 Joint Stock Bank, combining two issues, namely:—	
	Ayrshire Bank	£53,656
	Western Bank of Scotland	284,282
		<u>337,938</u>

2,680,094

£30,410,462

SUMMARY OF PRESENT FIXED ISSUES.

England—	Bank of England	£15,000,000
"	*110 Private Banks	3,719,146
"	52 Joint Stock Banks	2,587,551
Scotland—	†11 Joint Stock Banks	2,749,271
Ireland—	6 Joint Stock Banks	6,354,494
		<u>£30,410,462</u>

*NOTE.—The number of Private Banks authorized to issue their own notes

in England, by the Act of 1844, was	207
Diminished in number by amalgamation	6
Lapsed Issues	91
	<u>97</u>
	<u>110</u>

† The number of Banks authorized to issue their own notes in Scotland, by the Act of 1845, was

Diminished in number by amalgamation	6
Lapsed Issues, as stated above	2
	<u>11</u>

11

ENGLISH FUNDS.

	Price on Nov. 23.	Highest.	Lowest.	Price on Oct. 19.
Consols	96½	96½	95	96
Exchequer Bills	..	2/ pm.	8/ dis.	8/ dis.

Bank Rate of Discount 5 per cent.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 82; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Oct. 6.	Oct. 13.	Oct. 20.	Oct. 27.
	£	£	£	£	£
1 Ashford Bank	11,849	18,047	11,821	9,993	9,921
2 Aylesbury Old Bank	48,461	18,998	19,065	19,388	18,302
3 Baldock and Biggleswade Bank	37,223	20,160	20,411	20,101	19,335
4 Barnstable Bank	17,182	4,411	4,679	4,641	4,555
5 Bedford Bank	31,218	29,961	80,488	29,105	28,421
6 Bicester and Oxfordshire Bank	27,090	14,198	14,105	14,295	18,925
7 Boston Bank—Garfit and Co.	75,069	51,725	53,637	54,373	54,709
8 Broseley and Bridgnorth Bank	26,717	11,445	11,698	11,411	11,668
9 Buckingham Bank	29,657	17,606	18,550	18,325	17,820
10 Bury and Suffolk Bank	82,362	40,044	37,694	37,415	36,459
11 Banbury Bank	43,457	21,865	21,881	20,631	20,938
12 Banbury Old Bank	55,153	18,759	19,227	18,393	17,644
13 Bedfordshire Leighton Buzzard Bk.	36,829	31,814	32,599	31,681	32,519
14 Brecon Old Bank	68,271	31,135	31,165	32,371	31,855
15 Brighton Union Bank	33,794	22,419	22,473	21,920	21,711
16 Burlington and Driffield Bank	12,745	12,325	12,577	11,952	12,484
17 Bury St. Edmunds Bank	8,201	2,283	2,540	2,700	2,456
18 Cambridge Bank—Mortlock & Co.	25,744	12,532	18,091	13,631	14,008
19 Cambridge and Cambridgeshire Bank	49,916	48,894	50,881	49,464	49,170
20 Canterbury Bank	33,671	21,105	21,457	20,635	19,446
21 Colchester Bank	25,082	12,282	12,194	12,006	12,189
22 Colchester and Essex Bank	48,704	27,696	26,533	26,325	26,118
23 Cornish Bank	49,869	27,364	27,945	26,425	26,266
24 City Bank, Exeter	21,527	14,109	14,426	13,703	12,964
25 Craven Bank—Birkbeck and Co.	77,154	74,752	75,576	73,448	73,394
26 Derby Bank—Smith & Co.	41,304	30,448	30,690	30,670	29,546
27 Devizes and Wiltshire Bank	20,674	4,555	4,532	4,586	4,552
28 Darlington Bank	86,218	84,285	86,707	85,785	83,638
29 Devonport Bank	10,664	5,279	4,780	4,762	5,079
30 Dorchester Old Bank	48,807	36,717	37,595	38,690	38,261
31 East Cornwall Bank	112,280	88,127	89,317	89,463	88,740
32 East Riding Bank	53,392	52,389	54,906	54,867	51,938
33 Essex Bk. and Bishop's Stortford Bk.	69,637	38,723	37,152	36,800	35,990
34 Exeter Bank	37,894	15,957	16,200	16,043	15,580
35 Farnham Bank	14,202	6,827	6,162	6,414	7,141
36 Faversham Bank	6,681	5,502	5,703	5,273	5,482
37 Godalming Bank	6,322	6,179	5,480	6,068	6,314
38 Guildford Bank	14,524	10,187	10,740	10,580	10,705
39 Grantham Bank—Hardy and Co.	30,372	16,354	16,930	17,373	17,594
40 Hull and Kingston-upon-Hull Bank	19,979	20,222	21,058	19,450	18,327
41 Huntingdon Town and County Bank	56,591	22,838	24,730	25,426	24,865
42 Harwich Bank	5,778	4,682	4,665	4,408	4,392
43 Hertfordshire, Hitchin Bank	38,764	29,781	29,983	30,576	30,640
44 Ipswich Bank	21,901	16,332	17,278	17,183	17,278
45 Ipswich and Needham Market Bank	80,699	48,175	49,272	49,238	47,206
46 Kentish Bank—Mercers and Co.	19,895	15,701	17,107	17,872	16,917
47 Kingston and Radnorshire Bank	26,050	24,111	23,913	23,487	23,626
48 Knaresborough Old Bank	21,825	16,837	17,711	17,895	17,752
49 Kendal Bank	44,668	42,785	42,122	42,085	42,510
50 Leeds Bank	130,757	116,055	119,492	118,671	119,025
51 Leeds Union Bank	37,459	36,602	36,311	35,660	35,457

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Oct. 6.	Oct. 13.	Oct. 20.	Oct. 27.
	£	£	£	£	£
52 Leicester Bank.....	32,322	24,463	27,070	27,429	27,227
53 Lewes Old Bank	44,836	21,681	23,382	22,712	21,880
54 Lincoln Bank	100,342	89,889	92,774	93,840	95,836
55 Llandoverly Bank and Llandilo Bank	32,945	24,431	24,289	23,761	24,174
56 Loughborough Bank	7,359	7,515	7,670	7,563	6,324
57 Lymington Bank	5,088	2,395	2,377	2,347	2,302
58 Lynn Regis and Lincolnshire Bank..	42,817	80,278	81,673	80,968	81,410
59 Lynn Regis and Norfolk Bank	13,917	10,820	10,594	10,290	9,903
60 Macclesfield Bank	15,760	9,270	8,899	8,825	9,122
61 Miners' Bank.....	18,688	15,715	15,711	15,656	15,102
62 Monmouth Old Bank	16,885	1,949	1,895	1,906	1,880
63 Newark Bank.....	28,788	5,508	6,714	6,907	7,040
64 Newark and Sleaford Bank	51,615	35,702	36,540	36,078	36,235
65 Newbury Bank	36,787	12,005	12,325	12,285	11,495
66 Newmarket Bank.....	23,098	12,670	13,278	13,510	13,188
67 Norwich and Norfolk Bank	105,519	90,855	91,075	94,284	91,205
68 Naval Bank, Plymouth	27,321	24,257	29,165	27,019	26,224
69 New Sarum Bank—Pinckney Bros...	15,659	4,367	4,085	3,792	3,591
70 Nottingham Bank	31,047	30,249	31,665	30,537	30,605
71 Oswestry Bank.....	18,471	7,857	8,099	7,824	8,401
72 Oxford Old Bank	34,391	26,674	27,484	29,482	29,094
73 Old Bank, Tonbridge	13,183	12,297	12,737	12,470	12,360
74 Oxfordshire Witney Bank	11,852	6,061	6,415	6,699	6,753
75 Pease's Old Bank, Hull	48,807	51,196	48,217	47,834	47,493
76 Penzance Bank.....	11,405	8,615	8,390	7,628	7,578
77 Reading Bank—Simonds and Co.....	37,619	23,065	22,651	22,480	21,786
78 Reading Bk.—Stephens, Blandy & Co.	43,271	27,045	26,100	25,591	25,102
79 Richmond Bank, Yorkshire	6,889	6,897	6,761	6,835	6,805
80 Royston Bank	16,393	7,911	7,997	7,409	7,380
81 Rye Bank	29,864	7,780	8,197	8,270	8,075
82 Saffron Walden and North Essex Bk.	47,646	18,946	19,072	18,837	19,249
83 Salop Bank	22,338	3,812	3,886	3,886	3,573
84 Scarborough Old Bank	24,813	24,841	24,710	24,753	24,909
85 Shrewsbury Old Bank	43,191	23,481	23,025	22,502	22,877
86 Sittingbourne and Milton Bank	4,789	1,515	1,735	1,590	1,802
87 Southampton Town and County Bank	25,359	8,159	8,482	8,311	7,869
88 Stamford and Rutland Bank	31,858	11,100	11,925	11,634	11,411
89 Shrewsbury and Welchpool Bank....	25,336	18,207	18,287	17,859	16,940
90 Tavistock Bank	13,421	13,562	13,033	11,197	10,584
91 Thornbury Bank	10,026	6,437	7,042	6,913	6,773
92 Tiverton and Devonshire Bank	13,470	5,847	5,658	5,589	5,828
93 Thrapstone and Kettering Bank	11,559	10,904	11,764	11,235	10,967
94 Tring Bank and Chesham Bank	13,531	11,965	11,735	11,885	12,187
95 Towcester Old Bank	10,801	5,098	5,424	5,188	4,984
96 Union Bank, Cornwall	17,003	5,047	4,923	5,265	5,142
97 Uxbridge Old Bank.....	25,136	6,081	6,198	6,090	5,579
98 Wallingford Bank.....	17,064	3,444	3,512	3,461	3,337
99 Warwick and Warwickshire Bank ..	30,504	22,109	22,367	21,908	23,199
100 Wellington Somerset Bank	6,628	4,388	4,413	4,148	3,778
101 West Riding Bank	46,158	43,252	46,577	46,461	45,122
102 Whitby Old Bank	14,258	10,170	9,955	10,070	10,852
103 Winchester, Alresford and Alton Bk.	25,892	9,692	9,724	9,368	8,875
104 Weymouth Old Bank	16,461	11,458	11,526	11,705	12,228
105 Wisbech and Lincolnshire Bank	59,713	36,196	39,964	39,665	39,809
106 Wiveliscombe Bank.....	7,602	1,626	1,721	1,788	1,768
107 Worcester Old Bank	87,448	45,615	49,041	50,232	47,645
108 Yarmouth and Suffolk Bank	53,060	44,087	50,839	48,285	44,660
109 Yarmouth, Norfolk, and Suffolk Bank	13,229	9,692	11,274	10,797	10,759
110 York Bank.....	46,887	29,480	30,462	31,848	32,836

JOINT STOCK BANKS.

NAME OF BANK.	Author- ized Issue.	AVERAGE AMOUNT.			
		Oct. 6.	Oct. 13.	Oct. 20.	Oct. 27.
	£	£	£	£	£
1 Bank of Westmoreland.....	12,225	11,325	11,172	11,389	10,814
2 Barnsley Banking Company.....	9,563	8,440	8,663	8,594	8,803
3 Bradford Banking Company	49,292	47,644	47,894	47,720	47,921
4 Bank of Whitehaven	82,681	25,075	26,061	26,380	26,026
5 Bradford Commercial Banking Co. ..	20,084	19,660	19,881	20,500	20,056
6 Burton, Uttoxeter, & Ashbourn Union Bank	60,701	40,820	41,366	40,478	40,724
7 Chesterfield & N. Derbyshire Bk. Co..	10,421	10,195	9,992	9,887	10,184
8 Cumberland Union Banking Co.....	35,395	31,378	35,740	34,757	33,979
9 Coventry and Warwickshire Bk. Co...	28,734	15,140	15,273	14,615	14,233
10 Coventry Union Banking Company ..	16,251	15,391	14,653	14,078	14,074
11 County of Gloucester Banking Co....	144,352	87,066	88,255	86,585	85,143
12 Carlisle and Cumberland Banking Co.	25,610	23,157	24,900	24,400	25,151
13 Carlisle City and District Bank	19,972	20,143	19,883	19,682	19,984
14 County of Stafford Bank	9,418	7,214	7,727	8,198	7,654
15 Derby and Derbyshire Banking Co. ..	20,093	19,040	18,355	19,407	18,399
16 Darlington District Joint Stock Bk. Co.	26,134	24,845	25,489	27,023	25,809
17 Gloucestershire Banking Company ..	155,920	143,904	147,460	145,725	143,132
18 Halifax Joint Stock Bank.....	18,534	18,194	18,243	18,114	18,080
19 Huddersfield Banking Company.....	37,354	36,048	38,112	39,612	35,292
20 Hull Banking Company	29,333	28,392	30,520	30,573	27,761
21 Halifax Commercial Banking Co.	13,733	13,810	13,493	13,268	13,401
22 Halifax and Huddersfield Union Bank	44,137	28,540	29,407	28,812	29,491
23 Knaresborough and Claro Banking Co.	28,059	26,763	26,515	27,173	27,140
24 Lancaster Banking Company	64,311	56,547	59,242	60,082	59,536
25 Leicestershire Banking Company	86,060	62,705	66,221	66,900	65,177
26 Lincoln and Lindsey Banking Co.....	51,620	52,913	50,048	46,620	48,895
27 Leamington Priors and Warwickshire Banking Company	13,875	12,816	12,890	11,824	12,205
28 Ludlow and Tenbury Bank	10,215	10,113	10,295	9,973	9,701
29 Moore and Robinson's Notts. Bkg. Co.	35,813	37,506	37,053	31,078	33,778
30 Nottingham and Notts. Banking Co...	29,477	28,613	28,616	27,927	27,619
31 Northamptonshire Union Bank	84,356	61,378	62,512	63,925	62,995
32 Northamptonshire Banking Company	26,401	17,148	17,393	17,075	18,128
33 North and South Wales Bank.....	63,951	64,552	64,568	59,083	58,496
34 Pares's Leicestershire Banking Co. ..	59,300	55,620	54,413	56,309	54,552
35 Sheffield Banking Company	35,843	27,921	28,013	28,490	28,415
36 Stamford, Spalding & Boston Bk. Co.	55,721	56,828	61,040	50,965	43,534
37 Stuckey's Banking Company	356,976	325,723	324,142	324,386	317,535
38 Stourbridge & Kidderminster Bkg. Co.	56,830	44,470	46,480	46,500	44,265
39 Sheffield and Hallamshire Bkg. Co. ..	23,524	23,856	23,153	23,031	22,693
40 Sheffield & Rotherham Joint Stock Bk.	52,496	46,678	47,589	45,994	44,988
41 Swaledale and Wensleydale Bkg. Co. .	54,372	48,324	49,363	51,089	51,973
42 Wolverhampton and Staffordshire Bk.	35,378	15,953	18,518	19,324	17,680
43 Wakefield and Barnsley Union Bank...	14,604	13,545	13,630	13,848	13,855
44 Whitehaven Joint Stock Bkg. Co.	81,916	27,114	27,291	27,014	26,403
45 West of Eng. & S. Wales District Bk.	83,535	76,972	75,532	73,270	70,811
46 Wilts and Dorset Banking Company...	76,162	78,619	73,965	74,045	73,925
47 West Riding Union Banking Company	34,029	32,840	33,537	33,604	33,145
48 Whitchurch and Ellesmere Bk. Co. ..	7,475	4,686	4,406	4,429	4,459
49 Worcester City and County Bk. Co. .	6,848	1,446	1,850	1,983	1,799
50 York Union Banking Co.....	71,240	68,861	69,966	73,605	71,367
51 York City and County Banking Co. ..	94,695	94,293	96,260	93,959	85,950
52 Yorkshire Banking Company	122,582	122,482	123,885	119,210	116,038

Irish and Scotch Circulation Returns.

IRISH BANKS.

Average Circulation, and Coin held by the IRISH and SCOTCH BANKS during the Four Weeks ending Saturday, the 27th October, 1877.

NAME OF BANK:	Authorized Circulation.	Average Circulation during Four Weeks ending as above.			Average Amnt. Gold and Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Ireland	3,738,428	2,096,625	1,314,275	3,410,900	541,155
Provincial Bank of Ireland	927,667	522,770	439,272	962,042	366,670
Belfast Bank	281,611	223,110	295,518	518,628	326,523
Northern Bank	243,440	225,907	318,098	544,006	407,832
Ulster Bank	311,079	441,948	417,481	859,429	701,210
The National Bank	852,269	1,004,796	661,259	1,666,055	1,079,462
TOTALS (Irish Banks)....	6,854,494	4,515,156	3,445,903	7,961,060	3,422,852

SCOTCH BANKS.

Bank of Scotland	343,418	226,430	483,949	709,779	466,918
Royal Bank of Scotland	216,451	257,313	484,238	741,551	623,090
British Linen Company	438,024	165,478	389,016	554,494	186,486
Commercial Bank of Scotland..	374,880	227,998	564,542	792,541	552,104
National Bank of Scotland	297,024	184,127	431,999	616,127	424,301
Union Bank of Scotland	454,346	249,451	529,845	779,296	456,828
Aberdeen Town & County Bank	70,138	96,187	125,177	221,364	180,442
North of Scotland Banking Co.	154,319	162,282	180,841	343,123	233,301
Clydesdale Banking Company..	274,321	186,487	355,381	542,369	346,072
City of Glasgow Bank	72,921	228,678	418,497	647,176	644,106
Caledonian Banking Company .	53,434	43,271	81,933	125,205	85,374
TOTALS (Scotch Banks)....	2,749,271	2,027,702	4,045,318	6,073,025	4,199,522

**SUMMARY OF WEEKLY RETURNS OF BANKS OF ISSUE FOR FOUR WEEKS
ENDING OCTOBER 27th, 1877.**

	Fixed Issues.	Oct. 6.	Oct. 13.	Oct. 20.	Oct. 27.
	£	£	£	£	£
110 Private Banks	3,719,146	2,481,152	2,543,892	2,488,004	2,518,308
52 Joint Stock Banks	2,587,551	2,274,706	2,301,365	2,228,095	2,272,512
162 Totals	6,306,697	4,755,858	4,845,257	4,711,099	4,790,820

Average Weekly Circulation of these Banks for the month ending as above:—

Private Banks	£2,507,839
Joint-Stock Banks	2,267,919

Together £4,775,758

On comparing these amounts with the Returns for the month ending Sept. 29th last, they show:—

An increase in the notes of Private Banks, of	£235,945
An increase in the notes of Joint-Stock Banks, of	123,881

Total increase on the month £359,776

And, as compared with the month ending Oct. 28, 1876:—

A decrease in the notes of Private Banks, of	£82,686
A decrease in the notes of Joint-Stock Banks, of	52,689

Total decrease as compared with the same period of last year £135,325

The following is the comparative state of the circulation as regards the fixed issues:—

The Private Banks are <i>below</i> their fixed issues	£1,211,307
The Joint-Stock Banks are <i>below</i> their fixed issues	819,632

Total *below* their fixed issues £1,530,939

SUMMARY OF IRISH AND SCOTCH RETURNS TO OCTOBER 27th, 1877.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending as above, when added together, give the following as the average weekly circulation of these Banks during the past month, viz.:—

Average Circulation of the Irish Banks	£7,961,060
Average Circulation of the Scotch Banks	6,073,025

Total Average Circulation of these Banks for the past month £14,034,085

On comparing these amounts with the Returns for the month ending 29th Sept. last, they show—

Increase in the Circulation of Irish Banks	£728,993
Increase in the Circulation of Scotch Banks	101,089

Total increase on the month.. .. . £830,082

And as compared with the month ending Oct. 28, 1876, they show—

Decrease in the Circulation of Irish Banks	£73,105
Decrease in the Circulation of Scotch Banks	101,485

Total decrease as compared with the same period of last year £174,590

The fixed issues of the Irish and Scotch Banks at the present time are given in the *Bankers' Magazine*, as follows:—

6 Banks in Ireland, allowed to issue	..	..	..	..	..	£6,354,494
11 Banks in Scotland, allowed to issue	..	..	..	..	..	2,749,271
17 Banks in all, allowed to issue	..	..	..	..	..	£9,103,765

The following appears, therefore, to be the comparative state of the circulation:—

Irish Banks are above their fixed issue	..	..	..	..	..	£1,606,566
Scotch Banks are above their fixed issue	..	..	..	..	..	8,323,754

Total above the fixed issue	..	..	..	..	..	£4,930,320
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The amounts of Gold and Silver held at the offices of the several banks, during the past month, have been as follows:—

Gold and Silver held by the Irish Banks	..	..	..	..	..	£3,422,852
Gold and Silver held by the Scotch Banks	..	..	..	..	..	4,199,522

Total of Gold and Silver Coin	..	..	..	..	..	£7,622,374
-------------------------------	----	----	----	----	----	------------

Being an increase of £185,271 on the part of the Irish Banks, and an increase of £89,716 on the part of the Scotch Banks, on the amounts held severally by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO OCTOBER 27th, 1877.

The following is the state of the Note Circulation of the United Kingdom for the month ending as above.

Circulation of Notes for the month ending as above, as compared with the previous month:—

	Oct. 27.	Sept. 29.	Increase.	Decrease.
	£	£	£	£
Bank of England (month ending 24th Oct.)	28,278,222	27,698,407	579,815	..
Private Banks.....	2,507,839	2,271,891	235,945	..
Joint-Stock Banks.....	2,267,919	2,144,088	123,831	..
Total in England	33,053,980	32,114,389	939,591	..
Scotland	6,073,025	5,971,936	101,089	..
Ireland.....	7,961,060	7,232,067	728,993	..
United Kingdom	47,088,065	45,318,392	1,769,673	..

The comparison of the month ending Oct. 28th, 1876, with the month ending Oct. 27th, 1877, shows a decrease in the Bank of England circulation of £683,684, a decrease in Private Banks of £82,636, and a decrease in Joint-Stock Banks of £52,689, being a total decrease in England of £819,009, while in Scotland there is a decrease of £101,485; and in Ireland a decrease of £73,105. Thus showing that the month ending the 27th Oct., as compared with the same period last year, presents a decrease of £819,009 in England, and a decrease of £993,599 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending Oct. 24th gives an average amount in both departments of £22,936,532. On a comparison of this with the Return for the previous month, there appears to be a decrease of £1,585,814; and a decrease of £10,929,545 as compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending Oct. 27th, was £7,622,374; being an increase of £274,987, as compared with the Return of the previous month, and a decrease of £245,796, as compared with the corresponding period of last year.

(From Wetenhall's Stock Exchange List.)

Dividend payable.	Last Dividend per Ann.	Share.	NAME.	Paid.	London latest Prices.
Mar. Sep.	5 p. ct.	10	Agra, Limited	all	11
Feb. Aug.	6 "	25	Alliance, Limited	10	
Jan. July	10 "	200ft.	Anglo-Austrian	120ft.	8
Mar. Sep.	5 "	20	Anglo-Californian, Limited	10	
May Nov.	5 "	20	Anglo-Egyptian Banking, Limited	all	12
April Oct.	4 "	20	Anglo-Foreign Banking, Limited	10	
...	...	100ft.	Anglo-Hungarian	all	
Feb. Aug.	5 "	20	Anglo-Italian, 1886, Limited	10	
Mar. Sep.	12½ "	40	Bank of Australasia	all	80
April Oct.	7 "	20	Bank of British Columbia	all	20½
...	...	20	Ditto New, issued at £3 pm.	10	
Jan. July	6 "	10	Bank of Constantinople	6	
Feb. Aug.	10 "	25	Bank of Egypt	all	
...	...	Stk.	Bank of Ireland	100	
Jun. Dec.	5 "	20	Bank of Roumania	8	5½
Jan. July	10 "	25	Bank of South Australia	all	47½
April Oct.	12 "	50	Bank of Victoria, Australia	25	
May Nov.	15 "	10	Bank of New Zealand	all	26½
...	...	50	British North American	all	
Feb. Aug.	8 "	10	Central of London, Limited	5	
April Oct.	6 "	20	Chartered of India, Australia, and China	all	21½
...	...	25	Chartered Merc. of India, London and China	all	27½
Jan. July	10 "	30	City	10	16½
...	...	100	Colonial	30	
April Oct.	5 "	6	Commercial Bank of Alexandria, Limited	3	
Jan. July	10 "	10	Consolidated, Limited	4	7½
April Oct.	4½ "	25	Delhi and London, Limited	all	
May Nov.	10 "	20	English Bank of Rio de Janeiro, Limited	10	
Feb. Aug.	8 "	20	English, Scottish, and Australian Chartered	all	7
...	...	20	Franco-Egyptian, issued at 5 pm.	10	
Mar. Sep.	6 "	25½	Hong Kong and Shanghai Bank Corporation	all	
Jan. July	6 "	50	Imperial, Limited	15	
...	...	20	Imperial Ottoman	10	4½
April Oct.	8 "	25	Ionian	all	
...	...	25	Ditto, New	10	
May Nov.	2½ "	30	Land Mortgage Bank of India, Limited	5	2
Jan. July	5 p. ct.	100	Ditto, 5 per cent. Debentures, 1864, for 30 years	all	
Mar. Sep.	8 "	10	London Bank of Mexico & South America, Lim.	5	3½
Jun. Dec.	8 "	50	London Chartered of Australia	all	28½
Feb. Aug.	16 "	50	London and County	20	63½
Jan. July	15 "	50	London Joint Stock	15	49
Feb. Aug.	12½ "	10	London and Provincial, Limited	5	12½
Jun. Dec.	5 "	100	London and River Plate, Limited	40	
...	...	25	Ditto, New	10	9½
Mar. Sep.	8 "	10	London and San Francisco, Limited	all	12
Feb. Aug.	8 "	100	London and South Western, Limited	20	
...	...	100	London and Westminster	20	63½
April Oct.	8 "	20	Mercantile Bank of the River Plate, Limited	all	
Mar. Sep.	8 "	100	Merchant, Limited	25	
Jan. July	8 "	10	Metropolitan A) B receives no dividend until (	all	
...	...	10	Ditto B) 10 per ct. has been paid to A (	all	
...	...	10	Ditto New, A	1½	
Feb. Aug.	8 "	100	Midland, Limited	20	
...	...	50	National	30	7½
Jun. Dec.	12½ "	5	National of Australasia	4	
Feb. Aug.	7 "	25	National of Liverpool, Limited	15	
Jan. July	6 "	10	National of New Zealand, Limited	3½	4
Jun. Dec.	20 "	50	National Provincial of England	21	
...	...	20	Ditto, ditto	12	53½
...	...	20	Ditto, New, 1874, iss. at £10 prem.	12	53½
April Oct.	6 "	20	New London and Brazilian, Limited	10	8½
May Nov.	17½ "	20	New South Wales	all	
Feb. Aug.	4/3/4 "	20	North Eastern, Lim., iss. at 2 pm., already paid	6	5½
Feb. Aug.	8 "	24	North Western	7½	
April Oct.	10 "	25	Oriental Bank Corporation	all	42½
Jan. July	15 "	100	Provincial of Ireland	25	
...	...	10	Ditto, New	all	
May Nov.	14 "	100	Standard of British South Africa, Limited	25	38
...	...	100	Ditto ditto New, 8,062 shares issued	all	36½
Jan. July	16 "	25	Union of Australia	all	67½
...	...	50	Union of London	15½	42

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